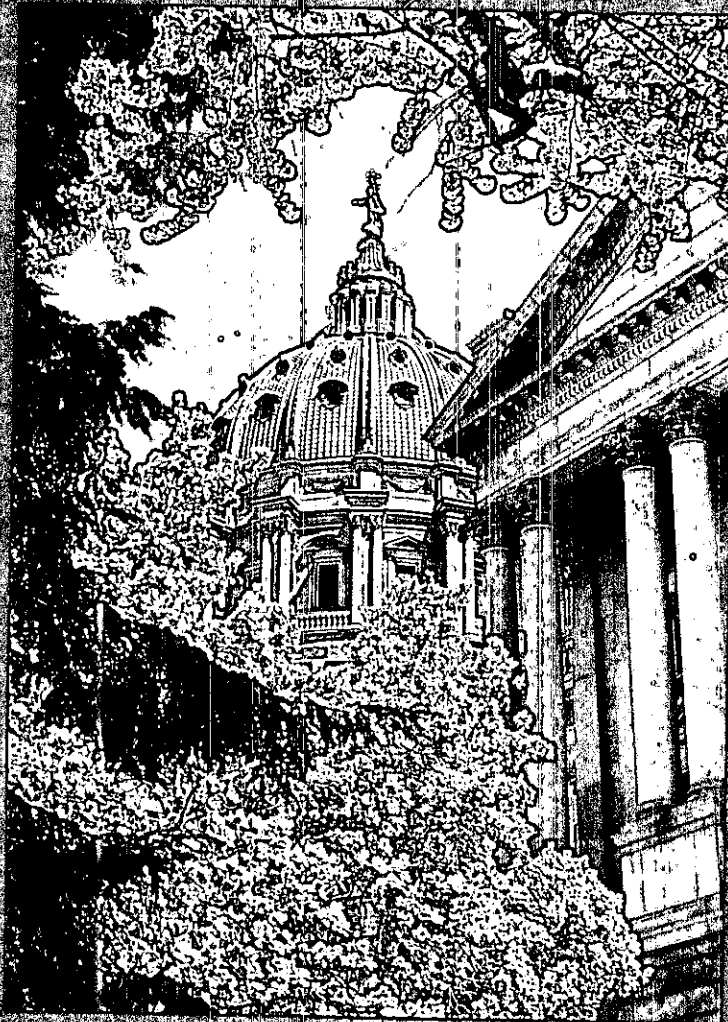




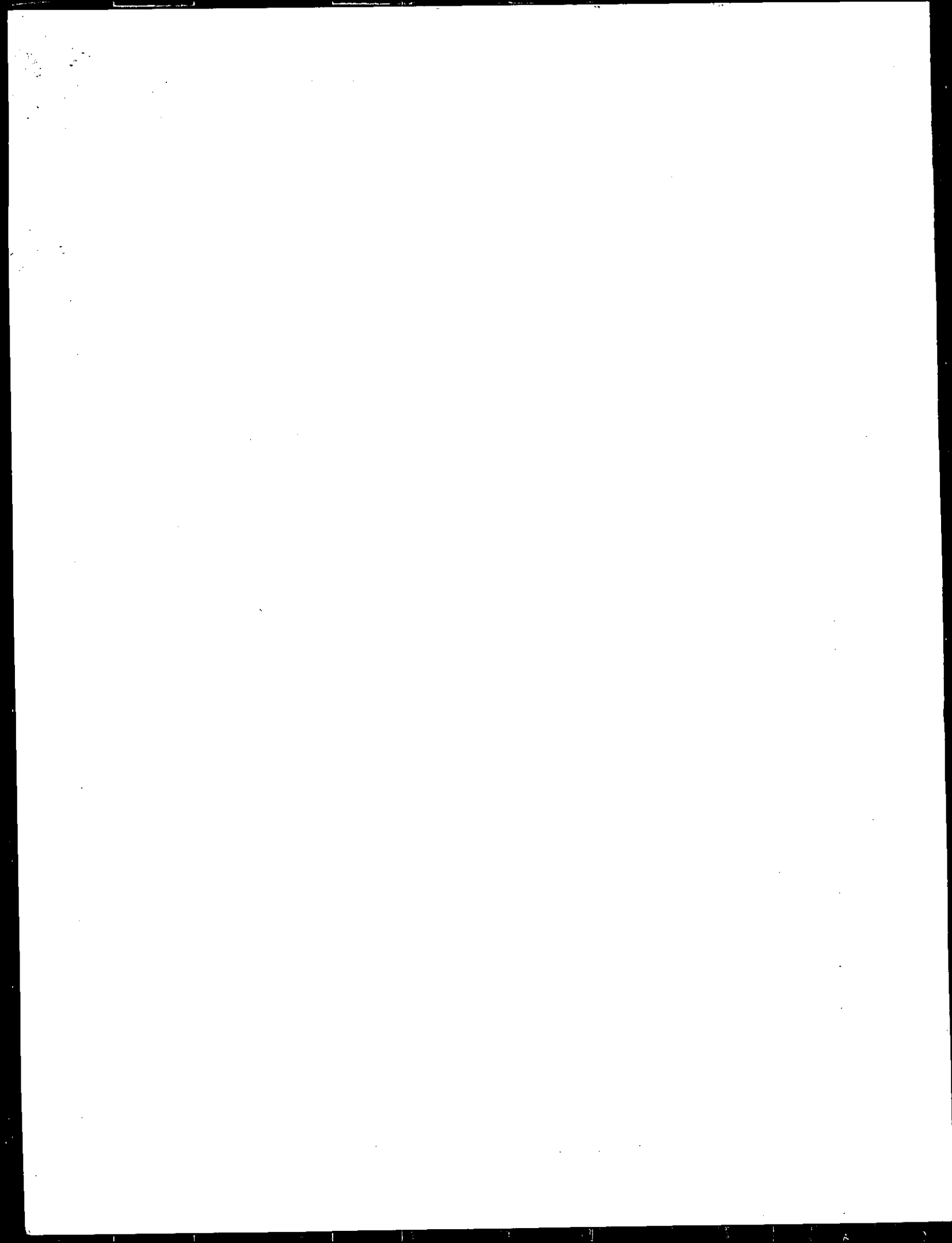
1995-96

Governor's Executive Budget



Commonwealth of Pennsylvania

*Tom Ridge
Governor*





COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE GOVERNOR
HARRISBURG

THE GOVERNOR

March 7, 1995

To the People of Pennsylvania:

Pursuant to Article VIII Section 12 of the Constitution of Pennsylvania, and Section 613 of The Administrative Code of 1929 (71 P.S. Section 233), I am transmitting to your representatives in the General Assembly my proposed state budget for fiscal year 1995-1996.

This budget is a roadmap toward a different way of doing things in Harrisburg. First, it is a disciplined budget. Spending increases only 2.3 percent. The budget is based on conservative revenue forecasts, so we do not spend money we do not have. And I am proposing to increase, by 50 percent, the rate at which state government saves money in the "Rainy Day" fund. I propose to set aside nearly \$60 million as a reserve against the next economic downturn.

Second, this budget stresses competitiveness. There is no more effective social program than a vibrant economy that produces good jobs. To foster such an economy, this budget cuts taxes on our job creators by nearly \$200 million. No longer will state government try to spend Pennsylvania into prosperity. Instead, we will create a competitive tax and regulatory climate that will allow employers to create jobs for Pennsylvanians.

This budget also eliminates Pennsylvania's "widow's tax," an oppressive and unfair inheritance tax that strikes Pennsylvanians in their darkest hours. On the other hand, this budget sustains one of the bright spots of state tax policy, Pennsylvania's 2.8 percent income tax, one of the lowest income tax rates in the United States.

Living with competitive tax rates means that government spending must be restrained. To set an example, the Governor's Office budget is cut 10 percent. But this budget also includes carefully selected spending increases in programs that do the most to enhance opportunity and to sustain Pennsylvania families. There are increased resources for crime-fighting; educational opportunity; and programs for the young, the aged and the impoverished.

With great optimism for Pennsylvania's future, I remain,

Very truly yours,

Tom Ridge
Governor

FOREWORD

TAX EXPENDITURES

Information in this section provides estimates of indirect expenditures that occur through preferential treatment within the Commonwealth's State tax structure. Preferential treatment provided in State law by exemption, reduction, deduction, limitation, exclusion, tax deferral, discount, commission, credit, or preferential rate produce lower tax revenues than would otherwise be received by the Commonwealth at current tax rates. The estimated tax revenues foregone because of preferential treatment under State tax law are "tax expenditures" described in Section D of this document.

THE COMMONWEALTH PROGRAM PLAN

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

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

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

THE DEPARTMENTAL PRESENTATION

Recommendations for the continuation of current programs at essentially current levels of commitment are shown within departmental program subcategories. Recommendations for major program changes in 1995-96 are identified as departmental Program Revision Requests (PRRs) which provide explanations and justification for the change.

Beyond 1995-96, the projections of financial data, as well as impacts and other program measures, show the future implications of the 1995-96 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 1995-96 level of commitment.

To assist in understanding the individual agency presentations, the following information is provided.

PROGRAM PRESENTATION

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

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

Narrative—Describes program services and activities.

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

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

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

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

SUMMARY BY FUND AND APPROPRIATION

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

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

For purposes of this presentation, State funds include the General, Motor License, Banking Department, Boat, Economic Revitalization, Energy Conservation and Assistance (Oil Overcharge), Farm Products Show, Fish, Game, Lottery, Milk Marketing and Racing Funds.

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

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

For the sake of brevity and ease of identification, common abbreviations are used in the Federal titles. The most common are listed at the end of this Foreword.

(A) Identifies monies which augment a State appropriation. Institutional collections are an example of an augmentation.

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

The last year shown in this budget is 1999-2000 and is reflected in all headings as 1999-00.

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

This is particularly true of the 1995-96 Budget which recommends: 1) the reorganization of the Department of Environmental Resources into the Department of Conservation and Natural Resources and the Department of Environmental Protection; 2) the streamlining and the consolidation of appropriations/ programs within the Department of Commerce; and, 3) the elimination of numerous boards, commissions and appropriations. These are all detailed further within the agency presentations.

Section H of this document provides descriptions and financial statements for all of the active special funds of the Commonwealth not otherwise reflected in the budget.

Federal Funds Identification

The most common abbreviations used to identify Federal funds are:

ADA	Americans with Disabilities Act
AFDC	Aid to Families with Dependent Children
ARC	Appalachian Regional Commission
BG	Block Grant
BVS	Blind and Visual Services
CCDBG	Child Care and Development Block Grant
CSBG	Community Services Block Grant
DCSI	Drug Control and Systems Improvement Formula Grant Program
DFSC	Safe and Drug Free Schools and Communities Act
DOE	Department of Energy
ECIA	Education Consolidation and Improvement Act
EDA	Economic Development Administration
EEOC	Equal Employment Opportunity Commission
EPA	Environmental Protection Agency
EPCA	Energy Policy and Conservation Act
ESEA	Elementary and Secondary Education Act
FEMA	Federal Emergency Management Agency
FTA	Federal Transit Administration
FUTA	Federal Unemployment Tax Act
GED	General Education Development
HUD	Department of Housing and Urban Development
IASA	Improving America's Schools Act
IEPS	Innovative Education Program Strategies (Education Block Grant)
JTPA	Job Training Partnership Act
LIHEABG	Low-Income Home Energy Assistance Block Grant
LSCA	Library Services Construction Act
LWCF	Land and Water Conservation Fund
MCHSBG	Maternal and Child Health Services Block Grant
MH/MR	Mental Health/Mental Retardation Services
MHSBG	Mental Health Services Block Grant
NCHS	National Center for Health Statistics
NPDES	National Pollutant Discharge Elimination System
NSF	National Science Foundation
PAFE	Pennsylvania Agricultural Foods Exposition
PEP	Pennsylvania Employment Program
PHHSBG	Preventive Health and Health Services Block Grant
PHRC	Pennsylvania Human Relations Commission
SABG	Substance Abuse Block Grant
SCDBG	Small Communities Development Block Grant
SDA	Service Delivery Area
SSA	Social Security Act
SSBG	Social Services Block Grant
SSI	Supplemental Security Income
VA	Veterans Administration (now Department of Veterans Affairs)
YDC	Youth Development Center

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Governor's Executive Budget

STATEMENTS

GENERAL FUND

Five Year Financial Statement

The projections beyond the 1995-96 fiscal year show future implications of the present budgetary policies and recommendations only. Revenue estimates are based upon current and proposed tax rates.

	(Dollar Amounts in Thousands)						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Beginning Balance ^a	\$ 218,033	\$ 302,175	\$ 336,162	.....	.....	.....	.....
Revenues	\$ 15,210,742	\$ 16,061,800	\$ 16,217,500	\$ 16,918,500	\$ 17,545,000	\$ 18,302,600	\$ 19,116,100
Adjustments ^b	-158,491	-289,853	-455,000	-405,000	-430,000	-447,000	-465,000
Funds Available	\$ 15,270,284	\$ 16,074,122	\$ 16,098,662	\$ 16,513,500	\$ 17,115,000	\$ 17,855,600	\$ 18,651,100
Expenditures	-14,934,534	-15,678,637	-16,094,922	-16,507,673	-16,725,222	-16,922,310	-17,153,151
Closing Balance	\$ 335,750	\$ 395,485	\$ 3,740	\$ 5,827	\$ 389,778	\$ 933,290	\$ 1,497,949
Less Transfer to Tax Stabilization Reserve Fund ^c	-33,575	-59,323	-561	-874	-58,467	-139,994	-224,692
Ending Balance ^a	<u>\$ 302,175</u>	<u>\$ 336,162</u>	<u>\$ 3,179</u>	<u>\$ 4,953</u>	<u>\$ 331,311</u>	<u>\$ 793,296</u>	<u>\$ 1,273,257</u>

^aEnding balance not carried forward after 1995-96.

^bIncludes net reserve accruals, refunds, lapses and adjustments to beginning balance.

^cThis budget proposes that the Transfer to the Tax Stabilization Reserve Fund be increased from 10 percent to 15 percent of the General Fund closing balance effective with the transfer based on the June 30, 1995 closing balance.

FIVE YEAR FINANCIAL STATEMENTS

Motor License Fund^a

	(Dollar Amounts in Thousands)						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Beginning Balance	\$ 82,162	\$ 107,471	\$ 86,457	\$ 13,564	\$ 13,136	\$ 13,299	\$ 13,955
Receipts	1,516,452	1,548,551	1,530,251	1,535,632	1,545,904	1,557,208	1,565,516
Funds Available	<u>\$ 1,598,614</u>	<u>\$ 1,656,022</u>	<u>\$ 1,616,708</u>	<u>\$ 1,549,196</u>	<u>\$ 1,559,040</u>	<u>\$ 1,570,507</u>	<u>\$ 1,579,471</u>
Less Expenditures	-1,491,143	-1,569,565	-1,603,144	-1,536,060	-1,545,741	-1,556,552	-1,565,721
Ending Balance	<u>\$ 107,471</u>	<u>\$ 86,457</u>	<u>\$ 13,564</u>	<u>\$ 13,136</u>	<u>\$ 13,299</u>	<u>\$ 13,955</u>	<u>\$ 13,750</u>

Banking Department Fund

	(Dollar Amounts in Thousands)						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Beginning Balance	\$ 1,267	\$ 2,041	\$ 2,250	\$ 2,596	\$ 2,716	\$ 2,673	\$ 2,428
Receipts	12,797	10,980	10,543	10,726	10,918	11,124	11,334
Funds Available	<u>\$ 14,064</u>	<u>\$ 13,021</u>	<u>\$ 12,793</u>	<u>\$ 13,322</u>	<u>\$ 13,634</u>	<u>\$ 13,797</u>	<u>\$ 13,762</u>
Less Expenditures	-12,023	-10,771	-10,197	-10,606	-10,961	-11,369	-11,805
Ending Balance	<u>\$ 2,041</u>	<u>\$ 2,250</u>	<u>\$ 2,596</u>	<u>\$ 2,716</u>	<u>\$ 2,673</u>	<u>\$ 2,428</u>	<u>\$ 1,957</u>

Boat Fund

	(Dollar Amounts in Thousands)						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Beginning Balance	\$ 5,055	\$ 5,915	\$ 7,085	\$ 6,744	\$ 6,944	\$ 6,337	\$ 6,295
Receipts	8,430	9,354	7,183	7,971	7,422	8,288	7,719
Funds Available	<u>\$ 13,485</u>	<u>\$ 15,269</u>	<u>\$ 14,268</u>	<u>\$ 14,715</u>	<u>\$ 14,366</u>	<u>\$ 14,625</u>	<u>\$ 14,014</u>
Less Expenditures	-7,570	-8,184	-7,524	-7,771	-8,029	-8,330	-8,645
Ending Balance	<u>\$ 5,915</u>	<u>\$ 7,085</u>	<u>\$ 6,744</u>	<u>\$ 6,944</u>	<u>\$ 6,337</u>	<u>\$ 6,295</u>	<u>\$ 5,369</u>

^aExcludes restricted revenue.

**FIVE YEAR FINANCIAL STATEMENTS
(Continued)**

Economic Revitalization Fund

	(Dollar Amounts in Thousands)						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Beginning Balance	\$ 7,652	\$ 4,623	.....	.....	.....	.....	.....
Receipts	69,613	61,875	.....	.....	.....	.....	.....
Funds Available	\$ 77,265	\$ 66,498	.....	.....	.....	.....	.....
Less Expenditures	-72,642	-63,717	.....	.....	.....	.....	.....
Ending Balance	\$ 4,623	\$ 2,781 ^a	.....	.....	.....	.....	.....

Energy Conservation and Assistance Fund

	(Dollar Amounts in Thousands)						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Beginning Balance	\$ 7,645	\$ 948	\$ 1,055	\$ 507	\$ 532	\$ 557	\$ 583
Receipts	2,103	575	52	25	25	26	27
Funds Available	\$ 9,748	\$ 1,523	\$ 1,107	\$ 532	\$ 557	\$ 583	\$ 610
Less Expenditures	-8,800	-468	-600	.....	.....	.....	.....
Ending Balance	\$ 948	\$ 1,055	\$ 507	\$ 532	\$ 557	\$ 583	\$ 610

Farm Products Show Fund

	(Dollar Amounts in Thousands)						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Beginning Balance	\$ 442	\$ 726	\$ 704	\$ 821	\$ 806	\$ 677	\$ 416
Receipts	4,035	3,900	4,040	4,040	4,040	4,040	4,040
Funds Available	\$ 4,477	\$ 4,626	\$ 4,744	\$ 4,861	\$ 4,846	\$ 4,717	\$ 4,456
Less Expenditures	-3,751	-3,922	-3,923	-4,055	-4,169	-4,301	-4,441
Ending Balance	\$ 726	\$ 704	\$ 821	\$ 806	\$ 677	\$ 416	\$ 15

^aTransferred to the General Fund.

**FIVE YEAR FINANCIAL STATEMENTS
(Continued)**

Fish Fund

(Dollar Amounts in Thousands)

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Beginning Balance	\$ 9,298	\$ 8,785	\$ 8,429	\$ 8,429	\$ 8,429	\$ 8,429	\$ 8,429
Receipts	33,624	36,288	32,500	32,719	33,255	33,768	34,298
Funds Available	\$ 42,922	\$ 45,073	\$ 40,929	\$ 41,148	\$ 41,684	\$ 42,197	\$ 42,727
Less Expenditures	-34,137	-36,644	-32,500	-32,719	-33,255	-33,768	-34,298
Ending Balance	<u>\$ 8,785</u>	<u>\$ 8,429</u>	<u>\$ 8,429</u>	<u>\$ 8,429</u>	<u>\$ 8,429</u>	<u>\$ 8,429</u>	<u>\$ 8,429</u>

Game Fund

(Dollar Amounts in Thousands)

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Beginning Balance	\$ 39,685	\$ 39,948	\$ 29,829	\$ 20,567	\$ 12,042	\$ 1,977	.....
Receipts	52,968	50,372	49,048	49,048	49,055	49,062	\$ 49,069
Funds Available	\$ 92,653	\$ 90,320	\$ 78,877	\$ 69,615	\$ 61,097	\$ 51,039	\$ 49,069
Less Expenditures	-52,705	-60,491	-58,310	-57,573	-59,120	-51,039	-49,069
Ending Balance	<u>\$ 39,948</u>	<u>\$ 29,829</u>	<u>\$ 20,567</u>	<u>\$ 12,042</u>	<u>\$ 1,977</u>	.....	.....

Lottery Fund

(Dollar Amounts in Thousands)

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Beginning Balance	\$ 90,648	\$ 3,613	\$ 5,728	\$ 5,470	\$ 5,065	\$ 5,227	\$ 5,893
Add Reserve From Previous Year .....	.....	86,000	104,000	118,000	129,000	137,000	140,000
Receipts	859,295	897,664	889,499	896,353	903,014	909,465	915,939
Funds Available	\$ 949,943	\$ 987,277	\$ 999,227	\$ 1,019,823	\$ 1,037,079	\$ 1,051,692	\$ 1,061,832
Less Expenditures	-860,330	-877,549	-875,757	-885,758	-894,852	-905,799	-917,435
Less Reserve for Current Year	-86,000	-104,000	-118,000	-129,000	-137,000	-140,000	-139,000
Ending Balance	<u>\$ 3,613</u>	<u>\$ 5,728</u>	<u>\$ 5,470</u>	<u>\$ 5,065</u>	<u>\$ 5,227</u>	<u>\$ 5,893</u>	<u>\$ 5,397</u>

**FIVE YEAR FINANCIAL STATEMENTS
(continued)**

Milk Marketing Fund

	(Dollar Amounts in Thousands)						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Beginning Balance	\$ 619	\$ 1,175	\$ 1,396	\$ 1,134	\$ 1,155	\$ 1,106	\$ 977
Receipts	2,380	2,263	2,204	2,204	2,204	2,204	2,204
Funds Available	<u>\$ 2,999</u>	<u>\$ 3,438</u>	<u>\$ 3,600</u>	<u>\$ 3,338</u>	<u>\$ 3,359</u>	<u>\$ 3,310</u>	<u>\$ 3,181</u>
Less Expenditures	-1,824	-2,042	-2,466	-2,183	-2,253	-2,333	-2,419
Ending Balance	<u>\$ 1,175</u>	<u>\$ 1,396</u>	<u>\$ 1,134</u>	<u>\$ 1,155</u>	<u>\$ 1,106</u>	<u>\$ 977</u>	<u>\$ 762</u>

Racing Fund

	(Dollar Amounts in Thousands)						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Beginning Balance	\$ 958	\$ 4,609	\$ 5,484	\$ 6,152	\$ 5,829	\$ 5,551	\$ 5,229
Receipts	11,304	12,939	14,028	14,028	14,028	14,028	14,028
Funds Available	<u>\$ 12,262</u>	<u>\$ 17,548</u>	<u>\$ 19,512</u>	<u>\$ 20,180</u>	<u>\$ 19,857</u>	<u>\$ 19,579</u>	<u>\$ 19,257</u>
Less Expenditures	-7,653	-12,064	-13,360	-14,351	-14,306	-14,350	-14,369
Ending Balance	<u>\$ 4,609</u>	<u>\$ 5,484</u>	<u>\$ 6,152</u>	<u>\$ 5,829</u>	<u>\$ 5,551</u>	<u>\$ 5,229</u>	<u>\$ 4,888</u>

Five-Year Department Summary by Fund

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
GOVERNOR'S OFFICE							
General Fund.....	\$ 7,288	\$ 7,458	\$ 6,719	\$ 6,987	\$ 7,225	\$ 7,500	\$ 7,793
EXECUTIVE OFFICES							
General Fund.....	\$ 93,077	\$ 91,057	\$ 85,589	\$ 88,172	\$ 90,401	\$ 93,293	\$ 96,063
Lottery Fund.....	100	114	117	122	126	131	136
Motor License Fund.....	4,847	3,995	4,148	4,318	4,465	4,635	4,816
TOTAL.....	\$ 98,024	\$ 95,166	\$ 89,854	\$ 92,612	\$ 94,992	\$ 98,059	\$ 101,015
LIEUTENANT GOVERNOR'S OFFICE							
General Fund.....	\$ 891	\$ 1,032	\$ 977	\$ 1,010	\$ 1,045	\$ 1,085	\$ 1,127
OFFICE OF ATTORNEY GENERAL							
General Fund.....	\$ 50,453	\$ 53,406	\$ 54,560	\$ 56,862	\$ 58,861	\$ 61,160	\$ 63,525
AUDITOR GENERAL							
General Fund.....	\$ 43,259	\$ 41,965	\$ 44,964	\$ 46,546	\$ 47,912	\$ 49,491	\$ 51,173
TREASURY							
General Fund.....	\$ 531,043	\$ 551,347	\$ 489,526	\$ 627,135	\$ 657,127	\$ 664,466	\$ 680,736
Lottery Fund.....	9	150	150	150	150	150	150
Racing Fund.....	1	10	10	10	10	10	10
Motor License Fund.....	191,527	191,335	160,280	128,721	124,769	121,853	109,490
Game Fund.....	0	5	5	5	5	5	5
Fish Fund.....	34	39	19	15	15	15	15
Banking Department Fund.....	0	5	5	5	5	5	5
Milk Marketing Fund.....	0	10	10	10	10	10	10
Farm Products Show Fund.....	0	5	5	5	5	5	5
Boat Fund.....	1	5	5	5	5	5	5
Economic Revitalization Fund.....	0	5	0	0	0	0	0
TOTAL.....	\$ 722,615	\$ 742,916	\$ 650,015	\$ 756,061	\$ 782,101	\$ 786,524	\$ 790,431
AGING							
General Fund.....	\$ 8,850	\$ 9,071	\$ 9,596	\$ 9,668	\$ 9,739	\$ 9,810	\$ 9,810
Lottery Fund.....	358,351	380,275	375,537	377,603	378,795	381,160	383,691
TOTAL.....	\$ 367,201	\$ 389,346	\$ 385,133	\$ 387,271	\$ 388,534	\$ 390,970	\$ 393,501
AGRICULTURE							
General Fund.....	\$ 41,293	\$ 45,243	\$ 45,863	\$ 46,891	\$ 47,779	\$ 48,805	\$ 49,899
Racing Fund.....	7,493	11,969	13,183	14,167	14,203	14,275	14,207
Farm Products Show Fund.....	3,065	3,244	3,218	3,350	3,464	3,596	3,736
TOTAL.....	\$ 51,851	\$ 60,456	\$ 62,264	\$ 64,408	\$ 65,446	\$ 66,676	\$ 67,842
BANKING							
Banking Department Fund.....	\$ 11,675	\$ 10,413	\$ 9,841	\$ 10,244	\$ 10,593	\$ 10,995	\$ 11,424
CIVIL SERVICE COMMISSION							
General Fund.....	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1

Five-Year Department Summary by Fund

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
COMMERCE							
General Fund.....	\$ 157,217	\$ 170,061	\$ 156,771	\$ 157,008	\$ 156,355	\$ 156,755	\$ 157,190
Economic Revitalization Fund.....	63,142	58,500	0	0	0	0	0
TOTAL.....	\$ 220,359	\$ 228,561	\$ 156,771	\$ 157,008	\$ 156,355	\$ 156,755	\$ 157,190
COMMUNITY AFFAIRS							
General Fund.....	\$ 79,247	\$ 64,075	\$ 37,065	\$ 37,495	\$ 37,867	\$ 38,296	\$ 38,753
Economic Revitalization Fund.....	0	0	0	0	0	0	0
TOTAL.....	\$ 79,247	\$ 64,075	\$ 37,065	\$ 37,495	\$ 37,867	\$ 38,296	\$ 38,753
CONSERVATION AND NATURAL RESOURCES							
General Fund.....	\$ 71,166	\$ 73,749	\$ 82,069	\$ 85,727	\$ 88,529	\$ 91,768	\$ 95,219
Economic Revitalization Fund.....	3,500	0	0	0	0	0	0
TOTAL.....	\$ 74,666	\$ 73,749	\$ 82,069	\$ 85,727	\$ 88,529	\$ 91,768	\$ 95,219
CORRECTIONS							
General Fund.....	\$ 595,379	\$ 721,558	\$ 819,765	\$ 912,202	\$ 997,101	\$ 1,076,660	\$ 1,162,481
EDUCATION							
General Fund.....	\$ 6,436,122	\$ 6,669,480	\$ 6,901,330	\$ 6,862,344	\$ 6,871,737	\$ 6,859,340	\$ 6,862,117
Motor License Fund.....	1,476	1,672	1,498	1,498	1,498	1,498	1,498
TOTAL.....	\$ 6,437,598	\$ 6,671,152	\$ 6,902,828	\$ 6,863,842	\$ 6,873,235	\$ 6,860,838	\$ 6,863,615
EMERGENCY MANAGEMENT AGENCY							
General Fund.....	\$ 5,318	\$ 5,205	\$ 5,715	\$ 6,007	\$ 6,211	\$ 6,447	\$ 6,698
ENVIRONMENTAL PROTECTION							
General Fund.....	\$ 149,395	\$ 165,642	\$ 133,679	\$ 138,560	\$ 142,772	\$ 147,642	\$ 152,829
Energy Conservation And Assistance Fund..	3,000	117	150	0	0	0	0
TOTAL.....	\$ 152,395	\$ 165,759	\$ 133,829	\$ 138,560	\$ 142,772	\$ 147,642	\$ 152,829
FISH AND BOAT COMMISSION							
General Fund.....	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9
Fish Fund.....	21,628	22,452	19,679	19,932	20,180	20,400	20,600
Boat Fund.....	6,304	6,836	6,994	7,281	7,529	7,815	8,120
TOTAL.....	\$ 27,941	\$ 29,297	\$ 26,682	\$ 27,222	\$ 27,718	\$ 28,224	\$ 28,729
GAME COMMISSION							
Game Fund.....	\$ 44,030	\$ 53,668	\$ 52,061	\$ 51,324	\$ 52,864	\$ 44,776	\$ 42,799
GENERAL SERVICES							
General Fund.....	\$ 74,509	\$ 75,404	\$ 90,154	\$ 90,284	\$ 92,829	\$ 96,099	\$ 99,179
Lottery Fund.....	213	185	204	212	216	220	224
Motor License Fund.....	25,000	27,212	27,235	27,243	27,247	27,252	27,257
Banking Department Fund.....	348	353	351	357	363	369	376
TOTAL.....	\$ 100,070	\$ 103,154	\$ 117,944	\$ 118,096	\$ 120,655	\$ 123,940	\$ 127,036
HEALTH							
General Fund.....	\$ 203,334	\$ 208,538	\$ 206,897	\$ 208,497	\$ 210,075	\$ 211,898	\$ 213,840

Five-Year Department Summary by Fund

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
HIGHER EDUCATION ASSISTANCE AGENCY							
General Fund.....	\$ 234,628	\$ 255,041	\$ 290,881	\$ 290,881	\$ 290,881	\$ 290,881	\$ 290,881
HISTORICAL AND MUSEUM COMMISSION							
General Fund.....	\$ 18,716	\$ 21,235	\$ 20,355	\$ 20,993	\$ 21,543	\$ 22,179	\$ 22,857
HOUSING FINANCE AGENCY							
General Fund.....	\$ 19,500	\$ 22,500	\$ 18,500	\$ 18,500	\$ 18,500	\$ 18,500	\$ 18,500
INFRASTRUCTURE INVESTMENT AUTHORITY (PENNVEST)							
General Fund.....	\$ 10,000	\$ 6,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
INSURANCE							
General Fund.....	\$ 12,197	\$ 14,020	\$ 15,022	\$ 15,549	\$ 16,078	\$ 16,688	\$ 17,340
LABOR AND INDUSTRY							
General Fund.....	\$ 54,534	\$ 81,666	\$ 56,985	\$ 57,251	\$ 57,514	\$ 57,873	\$ 58,276
Economic Revitalization Fund.....	6,000	6,000	0	0	0	0	0
TOTAL.....	\$ 60,534	\$ 87,666	\$ 56,985	\$ 57,251	\$ 57,514	\$ 57,873	\$ 58,276
MILITARY AFFAIRS							
General Fund.....	\$ 45,226	\$ 56,795	\$ 62,638	\$ 66,055	\$ 68,209	\$ 70,698	\$ 73,350
MILK MARKETING BOARD							
General Fund.....	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125
Milk Marketing Fund.....	1,690	1,907	2,331	2,048	2,118	2,198	2,284
TOTAL.....	\$ 1,815	\$ 2,032	\$ 2,456	\$ 2,173	\$ 2,243	\$ 2,323	\$ 2,409
BOARD OF PROBATION AND PAROLE							
General Fund.....	\$ 47,838	\$ 56,432	\$ 58,366	\$ 60,164	\$ 61,661	\$ 63,391	\$ 65,234
PUBLIC TELEVISION NETWORK							
General Fund.....	\$ 8,837	\$ 9,153	\$ 9,153	\$ 9,271	\$ 9,373	\$ 9,491	\$ 9,617
PUBLIC WELFARE							
General Fund.....	\$ 4,990,113	\$ 5,253,045	\$ 5,355,093	\$ 5,538,810	\$ 5,597,868	\$ 5,676,768	\$ 5,756,910
Lottery Fund.....	20,000	0	0	0	0	0	0
Energy Conservation And Assistance Fund..	9,000	351	450	0	0	0	0
TOTAL.....	\$ 5,019,113	\$ 5,253,396	\$ 5,355,543	\$ 5,538,810	\$ 5,597,868	\$ 5,676,768	\$ 5,756,910
REVENUE							
General Fund.....	\$ 244,305	\$ 256,668	\$ 268,371	\$ 271,166	\$ 273,044	\$ 277,526	\$ 282,301
Lottery Fund.....	375,743	385,800	386,931	390,019	392,790	395,930	399,263
Racing Fund.....	159	163	167	174	180	187	194
Motor License Fund.....	16,202	17,259	21,542	21,913	22,233	22,603	22,997
TOTAL.....	\$ 636,409	\$ 659,890	\$ 677,011	\$ 683,272	\$ 688,247	\$ 696,246	\$ 704,755
SECURITIES COMMISSION							
General Fund.....	\$ 2,277	\$ 2,353	\$ 2,223	\$ 2,314	\$ 2,393	\$ 2,484	\$ 2,581

Five-Year Department Summary by Fund

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
STATE							
General Fund.....	\$ 1,557	\$ 2,527	\$ 2,614	\$ 2,610	\$ 2,578	\$ 2,566	\$ 2,660
STATE EMPLOYEES' RETIREMENT SYSTEM							
General Fund.....	\$ 600	\$ 560	\$ 543	\$ 543	\$ 543	\$ 543	\$ 543
STATE POLICE							
General Fund.....	\$ 104,845	\$ 110,856	\$ 119,290	\$ 124,720	\$ 128,960	\$ 133,860	\$ 139,083
Motor License Fund.....	215,542	230,248	247,450	258,517	267,306	277,464	288,285
TOTAL.....	\$ 320,387	\$ 341,104	\$ 366,740	\$ 383,237	\$ 396,266	\$ 411,324	\$ 427,368
TAX EQUALIZATION BOARD							
General Fund.....	\$ 1,234	\$ 1,301	\$ 1,466	\$ 1,526	\$ 1,578	\$ 1,638	\$ 1,702
TRANSPORTATION							
General Fund.....	\$ 275,136	\$ 282,362	\$ 291,513	\$ 291,449	\$ 291,618	\$ 291,799	\$ 292,015
Lottery Fund.....	105,914	111,025	112,818	117,652	122,775	128,208	133,971
Motor License Fund.....	1,036,549	1,105,544	1,140,991	1,093,850	1,098,223	1,101,247	1,111,378
TOTAL.....	\$ 1,417,599	\$ 1,498,931	\$ 1,545,322	\$ 1,502,951	\$ 1,512,616	\$ 1,521,254	\$ 1,537,364
LEGISLATURE							
General Fund.....	\$ 161,223	\$ 182,984	\$ 180,904	\$ 180,904	\$ 180,904	\$ 180,904	\$ 180,904
JUDICIARY							
General Fund.....	\$ 153,792	\$ 160,713	\$ 169,631	\$ 173,437	\$ 178,277	\$ 183,871	\$ 189,830
COMMONWEALTH TOTALS							
GENERAL FUND.....	\$14,934,534	\$15,730,637	\$16,094,922	\$16,507,673	\$16,725,222	\$16,922,310	\$17,153,151
LOTTERY FUND.....	860,330	877,549	875,757	885,758	894,852	905,799	917,435
RACING FUND.....	7,653	12,142	13,360	14,351	14,393	14,472	14,411
MOTOR LICENSE FUND.....	1,491,143	1,577,265	1,603,144	1,536,060	1,545,741	1,556,552	1,565,721
GAME FUND.....	44,030	53,673	52,066	51,329	52,869	44,781	42,804
FISH FUND.....	21,662	22,491	19,698	19,947	20,195	20,415	20,615
BANKING DEPARTMENT FUND.....	12,023	10,771	10,197	10,606	10,961	11,369	11,805
MILK MARKETING FUND.....	1,690	1,917	2,341	2,058	2,128	2,208	2,294
FARM PRODUCTS SHOW FUND.....	3,065	3,249	3,223	3,355	3,469	3,601	3,741
BOAT FUND.....	6,305	6,841	6,999	7,286	7,534	7,820	8,125
ECONOMIC REVITALIZATION FUND.....	72,642	64,505	0	0	0	0	0
ENERGY CONSERVATION AND ASSISTANCE FUND..	12,000	468	600	0	0	0	0
GRAND TOTAL.....	\$17,467,077	\$18,361,508	\$18,682,307	\$19,038,423	\$19,277,364	\$19,489,327	\$19,740,102

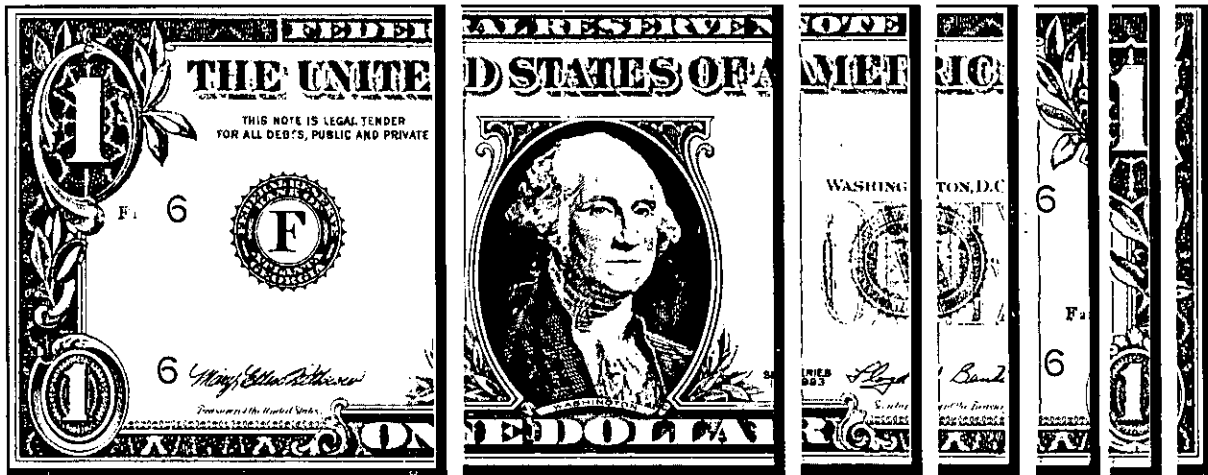
GENERAL FUND AND SPECIAL FUNDS

Five Year Commonwealth Program Summary

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
Commonwealth Program							
Direction and Supportive Services	\$ 827,998	\$ 884,116	\$ 904,398	\$ 928,796	\$ 942,595	\$ 960,081	\$ 979,706
Protection of Persons and Property . . .	1,610,094	1,820,590	1,912,452	2,071,629	2,193,699	2,312,254	2,441,835
Intellectual Development and Education	6,832,403	7,095,122	7,329,828	7,340,153	7,353,896	7,340,750	7,350,824
Health and Human Services	5,912,798	6,207,953	6,278,781	6,485,933	6,553,067	6,642,136	6,733,968
Economic Development	587,901	579,668	462,507	474,824	487,260	489,118	484,649
Transportation and Communication . . .	1,444,580	1,511,376	1,528,760	1,456,877	1,461,143	1,463,553	1,463,802
Recreation and Cultural Enrichment . .	251,303	262,683	265,581	280,211	285,704	281,435	285,318
GENERAL FUND TOTAL	<u>\$ 17,467,077</u>	<u>\$ 18,361,508</u>	<u>\$ 18,682,307</u>	<u>\$ 19,038,423</u>	<u>\$ 19,277,364</u>	<u>\$ 19,489,327</u>	<u>\$ 19,740,102</u>

Distribution of the Commonwealth Dollar GENERAL FUND AND SPECIAL FUNDS

1995-96 Fiscal Year
(Dollar Amounts in Thousands)



Intellectual Development
and Education \$7,329,828
39.2%

Health and Human Services \$6,278,781
33.6%

Protection of Persons and Property \$1,912,452
10.3%

Transportation and Communication \$1,528,760
8.2%

Direction and Supportive Services \$904,398
4.8%

TOTAL \$18,682,307

Economic Development \$462,507
2.5%

Recreation and Cultural Enrichment \$265,581
1.4%

GENERAL FUND

Five Year Commonwealth Program Summary

	(Dollar Amounts in Thousands)						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
Commonwealth Program							
Direction and Supportive Services	\$ 501,603	\$ 540,039	\$ 553,726	\$ 573,447	\$ 582,972	\$ 595,737	\$ 610,411
Protection of Persons and Property . . .	1,278,065	1,466,254	1,541,266	1,687,469	1,797,433	1,902,178	2,017,995
Intellectual Development and Education	6,830,927	7,093,450	7,328,330	7,338,655	7,352,398	7,339,252	7,349,326
Health and Human Services	5,316,933	5,616,302	5,690,976	5,892,678	5,954,497	6,036,768	6,121,306
Economic Development	518,759	515,168	462,507	474,824	487,260	489,118	484,649
Transportation and Communication . . .	312,441	319,721	331,274	338,926	345,531	350,813	355,665
Recreation and Cultural Enrichment . .	175,806	179,703	186,843	201,674	205,131	208,444	213,799
GENERAL FUND AND SPECIAL FUNDS TOTAL	\$ 14,934,534	\$ 15,730,637	\$ 16,094,922	\$ 16,507,673	\$ 16,725,222	\$ 16,922,310	\$ 17,153,151

Distribution of the Commonwealth Dollar GENERAL FUND

1995-96 Fiscal Year



Intellectual Development
and Education 45.5¢

Health and Human Services 35.3¢

Protection of Persons and Property 9.6¢

Direction and Supportive Services 3.4¢

Economic Development 2.9¢

Transportation and Communication 2.1¢

Recreation and Cultural Enrichment 1.2¢

\$1.00

GENERAL FUND

Program Summary

(Dollar Amounts in Thousands)

	<u>1994-95</u>		<u>1995-96</u>	
Direction and Supportive Services	\$ 540,039	3.4%	\$ 553,726	3.4%
Protection of Persons and Property	1,466,254	9.3%	1,541,266	9.6%
Intellectual Development and Education	7,093,450	45.2%	7,328,330	45.5%
Health and Human Services	5,616,302	35.7%	5,690,976	35.3%
Economic Development	515,168	3.3%	462,507	2.9%
Transportation and Communication	319,721	2.0%	331,274	2.1%
Recreation and Cultural Enrichment	179,703	1.1%	186,843	1.2%
GENERAL FUND TOTAL	<u>\$ 15,730,637</u>	<u>100.0%</u>	<u>\$ 16,094,922</u>	<u>100.0%</u>

GENERAL FUND

1995-96 Fiscal Year



Income

(Dollar Amounts in Thousands)

TOTAL INCOME	\$ 16,432,300
Refunds	-455,000
Less Tax Reduction	-214,800
Beginning Balance	336,162
<hr/>	
TOTAL	\$ 16,098,662

SALES \$5,815,500	35.4%
PERSONAL INCOME \$5,168,100	31.5%
OTHER BUSINESS \$2,308,600	14.0%
CORPORATE NET INCOME \$1,606,500	9.8%
OTHER REVENUES \$917,700	5.6%
INHERITANCE \$615,900	3.7%

Outgo

(Dollar Amounts in Thousands)

TOTAL OUTGO	\$ 16,094,922
Tax Stabilization	
Reserve Fund	561
Ending Surplus	3,179
<hr/>	
TOTAL	\$ 16,098,662

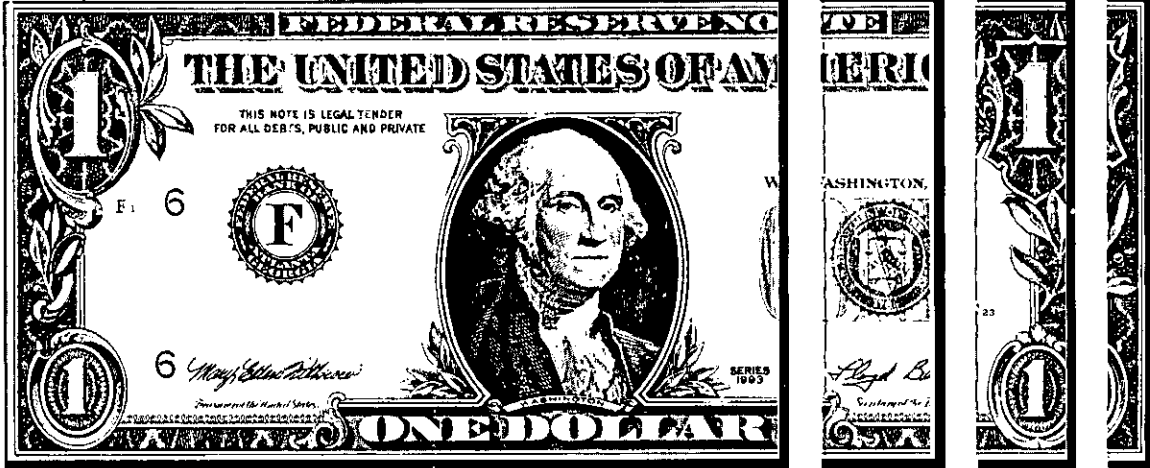


INTELLECTUAL DEVELOPMENT AND EDUCATION \$7,328,330	45.5%
HEALTH AND HUMAN SERVICES \$5,690,976	35.3%
PROTECTION \$1,541,266	9.6%
DIRECTION \$553,726	3.4%
OTHER PROGRAMS \$518,117	3.3%
ECONOMIC DEVELOPMENT \$462,507	2.9%

USE OF THE GENERAL FUND DOLLAR

1995-96 Fiscal Year

GRANTS AND SUBSIDIES 76.6¢



GENERAL GOVERNMENT 10.5¢

INSTITUTIONAL 10.0¢

DEBT SERVICE REQUIREMENTS 2.9¢

\$1.00

Economic and Job Development

Pennsylvania possesses significant resources to advance its economic development, including a skilled and hardworking labor force, the technological resources of its businesses, educational and research institutions, and abundant natural resources. Though rich in resources, Pennsylvania still faces intense competition in national and international markets, and businesses must react and adjust to changing industrial and workforce needs. State Government can play a key role in assisting businesses to stay competitive and enhance and maximize economic opportunities for all our citizens, communities and businesses.

Predictable and reasonable State business taxes encourage job and business growth. This budget recommends a reduction in the Corporate Net Income Tax rate, an increase in the net operating loss deduction used to offset corporate net income, and a double weighting of sales factor of the income apportionment formula. This budget recommends additional economic development initiatives designed to strengthen and diversify Pennsylvania's economy. Increased funding is provided for programs to assist businesses develop advanced production techniques and train workers in new techniques, to target promising industries and new export markets, and to provide financing for business formation, retention and expansion. This budget also recommends the consolidation of several Commonwealth economic development programs to provide a more effective, integrated approach to service delivery.

Recommended Program Revisions: _____

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

	1995-96	
Program Revision / Department / Appropriation	General Fund	Federal and Other Funds
FOCUSING ECONOMIC DEVELOPMENT EFFORTS _____	(Dollar Amounts In Thousands)	
COMMERCE:		
General Government Operations	\$ 1,000	....
Customized Job Training	2,245	....
Transfer to Ben Franklin / Industrial Resource Centers Partnership Fund	2,710	....
Transfer to Sunny Day Fund	-10,000	....
Transfer to Minority Business Development Fund	-2,150	....
Housing and Redevelopment-Economic Development Setaside	-6,500	....
Subtotal	\$ -12,695	....

This Program Revision improves Pennsylvania's ability to create, attract and retain jobs and business investment. Substantial changes are made to the business tax structure to encourage business growth. Funding is provided for an export development strategy which will open additional foreign offices in selected countries. Funding is also provided to encourage business development through a number of programs: the Ben Franklin/Industrial Resource Center Partnership will receive funding to modernize businesses through the development and application of technology and advanced production techniques; Customized Job Training will receive funding to provide additional job training grants to businesses which are increasing or upgrading their manpower needs; the Sunny Day Fund, the Minority Business Development Fund and the Economic Development Setaside Program will receive funding to stimulate business development. In addition, several programs will be consolidated to improve the department's delivery of services and capital.

Improving Basic and Higher Education

Quality education is important if today's students are to have the technical knowledge to successfully compete in the emerging national and international economies. The quality of education at our public elementary and secondary schools, as well as the cost of education at our colleges and universities, have increasingly become topics of public discussion. This budget recommends educational policy changes that will make the public education system more accountable and responsive, provide parents with more educational alternatives and choices for their children, and ensure that higher education remains affordable to Pennsylvania students and their families.

This budget recommends increased funding for a variety of basic education programs, including increases in school district basic education support and special education reimbursements. A new funding methodology is proposed for early intervention services. Funding incentives are also recommended to encourage increased local support of the public library system. This budget recommends new basic education initiatives including educational opportunity grants to provide parents with greater educational options for their children, planning grants to develop new charter public schools, and grants to local education agencies for programs to address incidences of disruptive or violent behavior in schools. School accountability and performance standards will also be introduced into the Commonwealth's public education system.

This budget also recommends a number of initiatives to ensure that all Pennsylvanians will have continued access to an affordable higher education. To assist students with educational costs, increased funds are provided for grants to full-time or part-time students enrolled in degree granting programs. In addition, funds are provided through a tuition challenge grant to encourage our public universities to hold down tuition increases, and through increased reimbursements for credit courses offered at our community colleges.

Recommended Program Revisions: _____

This Budget recommends the following Program Revisions which are explained in more detail in the agency presentation.

	1995-96	
Program Revision / Department / Appropriation	General Fund	Federal and Other Funds
(Dollar Amounts in Thousands)		
IMPROVING BASIC EDUCATION		
EDUCATION:		
Basic Education Funding	\$ 124,000	....
Educational Opportunity Grants	38,500	....
Improvement of Library Services	2,500	....
Charter School Planning Grants	1,000	....
Safe Schools	500	....
Alternative Schools	1,000	....
Subtotal	\$ 167,500	....

This Program Revision provides \$167.5 million to maintain Pennsylvania's commitment to the educational system and create new and innovative strategies to improve the system and enhance each child's access to a quality education. The components of the proposal include: funds to support basic education to preserve the equity support for the Commonwealth's most needy districts; funds for Educational Opportunity Grants for working class parents to select the type of school setting best suited for their children; funds for planning grants for those interested to develop strategies for charter public schools; funds to increase the reimbursement rates for special education services; funds for grants to school districts to develop strategies to address the increase of violence in schools and to support alternative programs for students who behave in a manner that is disruptive to the school environment. The proposal also provides a new funding methodology for early intervention services by distributing the funds to school districts and also provides a new funding methodology intended to increase local support of the library system. In addition, accountability and performance standards are being introduced into the Commonwealth's educational system.

1995-96

Program Revision / Department / Appropriation	1995-96	
	General Fund	Federal and Other Funds
	(Dollar Amounts in Thousands)	
EXPANDING ACCESS TO HIGHER EDUCATION		
EDUCATION:		
Community Colleges	\$ 4,500	....
Tuition Challenge Grants	15,161	....
HIGHER EDUCATION ASSISTANCE AGENCY:		
Grants to Students	35,791	....
Subtotal	\$ 55,452	....

This Program Revision will increase access to higher education by providing a 17.3 percent increase in the amount of grant funds available through the Grants to Students program. This funding will increase the maximum award by \$100 and provide new grants to about 10,000 students. The proposal will also improve access to higher education through Tuition Challenge grants which offer public universities approximately \$100 for each Pennsylvania resident full-time student if the institution's tuition increase does not exceed 4.5 percent. In addition, this Program Revision increases the Community College reimbursement rate for credit courses to \$1,180 and continues reimbursement for noncredit courses.

Enhancing the Quality of Services to Pennsylvanians

The Commonwealth is committed to improving the quality of individual and family life for all Pennsylvanians. To continue to address that commitment, this budget contains initiatives to enhance the well-being of older Pennsylvanians, encourage individual and family independence and promote appropriate use of health care while controlling costs in the Medical Assistance program.

To further support older Pennsylvanians in the community, this budget recommends increased funding for intensive in-home services and community-based care programs. This budget also recommends changes to the nursing home reimbursement system which should improve access to nursing homes for those in need of higher level care.

This budget recommends changes to Pennsylvania's welfare system to encourage the most able individuals and families to develop life and job skills which will lead to financial independence while continuing their medical benefits. Increased funds are provided for job training programs to assist individuals and families achieve economic independence and to expand subsidized day care services to aid low-income working families. This budget also recommends initiatives to increase domestic relations support and to implement digitized photo and fingerprint technology to safeguard against welfare fraud and abuse.

Several changes to the Medical Assistance Program are recommended that will promote the appropriate use of health care and reduce unnecessary expenditures. Initiatives are included to ensure that drug and alcohol services and non-emergency health care services are provided in appropriate treatment settings. Other initiatives address changes to the pharmaceutical reimbursement formula and the inpatient hospital reimbursement systems.

Recommended Program Revisions:

This Budget recommends the following Program Revisions which are explained in more detail in the agency presentation.

Program Revision / Department / Appropriation	1995-96	
	General Fund	Federal and Other Funds
(Dollar Amounts in Thousands)		
ENHANCING SERVICES FOR OLDER PENNSYLVANIANS		
AGING:		
Family Caregiver	\$ 454	....
Community-Based Care - Administration - MA .....	....	\$ 218
Community-Based Care - Administration .....	....	219
PENNCARE .....	....	496
Community-Based Care - MA .....	....	4,817
Community-Based Care .....	....	4,227
PUBLIC WELFARE:		
Long-Term Care Facilities	-41,561	....
Medical Assistance .....	....	-48,687
Subtotal	\$ -41,107	\$ -38,710

This Program Revision provides State, Federal and Intergovernmental Transfer funds to enhance the continuum of services provided to older Pennsylvanians. The components of the Program Revision include: providing nursing home services to 1,375 older Pennsylvanians in their homes, expanding the Family Caregiver support program to assist 300 additional families, providing adult day care services for 200 additional older Pennsylvanians, and revising the Medical Assistance nursing facility reimbursement system to more accurately reflect the cost of services.

Program Revision / Department / Appropriation

STRENGTHENING INDIVIDUAL AND FAMILY INDEPENDENCE

PUBLIC WELFARE:

	General Fund	Federal and Other Funds
	(Dollar Amounts In Thousands)	
County Administration - Statewide	\$ 2,034	....
Maintenance Assistance - Statewide .....	....	\$ 418
Medical Assistance - Statewide .....	....	124
Food Stamp - Statewide .....	....	532
New Directions	1,000	....
Food Stamp Program .....	....	739
Cash Grants	-36,174	....
Maintenance Assistance - Cash Grants .....	....	-353
Medical Assistance - Outpatient	-304	....
Medical Assistance .....	....	-221
Medical Assistance - Inpatient	-3,926	....
Medical Assistance .....	....	-4,474
Day Care Services	5,000	....
Subtotal	\$ -32,370	\$ -3,235

This Program Revision changes the existing General Assistance Program to promote individual and family independence. It expands the number of subsidized child day care slots available to low-income working families, requires fathers who are able to reimburse the State for Medical Assistance birthing expenses, and establishes a recipient identification program to reduce welfare fraud and abuse.

IMPROVING THE EFFECTIVENESS OF MEDICAL ASSISTANCE

PUBLIC WELFARE:

Medical Assistance - Outpatient	\$ -30,717	....
Medical Assistance .....	....	\$ -32,262
Medical Assistance - Inpatient	-50,184	....
Medical Assistance .....	....	-39,956
Subtotal	\$ -80,901	\$ -72,218

This Program Revision provides State savings of \$80.9 million by eliminating coverage for non-emergency use of emergency room services, limiting drug and alcohol detoxification hospital admissions to those that are medically necessary, revising the pharmaceutical reimbursement formula for brand name drugs, increasing pharmaceutical rebate collections, expanding prior authorization for selected drugs, expanding the lock-in program, and incorporating efficiency enhancements into the inpatient hospital reimbursement systems.

Ensuring Public Safety

Protecting the health, safety, and property of its citizens, establishing clear and effective regulations and enforcing the law are important responsibilities of State Government. This budget continues the Commonwealth's efforts to maintain a safe society for its citizens through a number of new program initiatives.

This budget recommends additional funding to increase the capacity of the State correctional system, to provide corrections education services and parole services, and to expand community corrections programs for low-risk offenders. In addition, this budget proposes capital budget authorization for two secure facilities within the youth development system and one maximum security juvenile facility in the State correctional system. Funding is provided to operate juvenile secure units which may open in 1995-96, to expand drug and alcohol treatment programs in the State correctional system, and to enhance victim notification programs.

This budget also recommends additional funds for the State Police to provide support to free troopers for patrol duties, and to upgrade the State Police automated fingerprint identification system.

Recommended Program Revisions: _____

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

Program Revision / Department / Appropriation	1995-96	
	General Fund <small>(Dollar Amounts in Thousands)</small>	Federal and Other Funds
STRENGTHENING CRIME FIGHTING EFFORTS _____		
CORRECTIONS:		
State Correctional Institutions	\$ 18,654	....
EDUCATION:		
Correctional Institutions - Education	222	....
BOARD OF PROBATION AND PAROLE:		
General Government Operations	64	....
PUBLIC WELFARE:		
Youth Development Institutions and Forestry Camps	875	....
STATE POLICE:		
Automated Fingerprint Identification System	365	....
General Government Operations	211	....
General Government Operations - Motor License Fund .....	.... \$	448
Subtotal	\$ 20,391	\$ 448

This Program Revision will provide funds to operate SCI Houtzdale, expand community corrections capacity, operate secure youth development centers opening in 1995-96, expand drug and alcohol treatment services in State correctional institutions, provide administrative support to free troopers for patrol duties, enhance the automated fingerprint system, and provide institutional parole support at SCI Houtzdale and SCI Cambridge Springs. In addition, \$4.151 million in Federal Drug Control and System Improvement funds are included to enhance drug and alcohol treatment in State correctional institutions, improve victim notification, operate a youth development center, and provide "store and forward" technology to the State Police automated fingerprint identification system.



Commonwealth of Pennsylvania

Federal Block Grants

The Federal Omnibus Budget Reconciliation Act of 1981 created nine block grants. The Primary Care Block Grant was subsequently repealed by the Federal Government. The remaining eight were implemented during 1982-83. The Federal Omnibus Budget Reconciliation Act of 1990 created a new block grant called Child Care and Development. In addition, information is provided in this section on the Job Training Partnership Act which has not been labeled by the Federal Government as a block grant but which provides for a program that operates in a very similar manner to the original block grants. Federal funds for Anti-Drug Abuse also are summarized to indicate the total effort by the Commonwealth.

The Alcohol, Drug Abuse and Mental Health Administration Reorganization Act of 1992 split the Alcohol, Drug Abuse and Mental Health Services block grant into separate mental health and substance abuse block grants.

The following tables provide information on the estimated amounts to be received from the Federal Government and an estimated distribution of the funds by program within the block grant. The 1994-95 estimated block amounts reflect the best current estimate of the amounts available and, therefore, may be different from the amounts appropriated.

The recommended distribution by program for 1995-96 is a preliminary proposal. Opportunities for public review and comment and the public hearing process will provide feedback from affected groups and the public which may result in modifications to the proposed distribution.

In general, the amount shown for administrative costs represents the amount that Federal law permits under that particular block grant.

SUMMARY OF FEDERAL BLOCK GRANTS

(Dollar Amounts in Thousands)

	1993-94 Actual Block	1994-95 Estimated Block	1995-96 Recommended Block
Community Services	\$ 16,545	\$ 17,273	\$ 17,603
Small Communities	60,945	66,134	66,110
Education	18,590	19,761	14,429
Maternal and Child Health	30,287	33,377	31,497
Preventive Health and Health Services ...	7,712	9,935	9,852
Substance Abuse	56,925	67,669	58,233
Job Training Partnership	230,466	289,379	304,510
Child Care and Development	30,148	35,154	35,918
Low-Income Home Energy Assistance ...	102,628	100,624	86,961
Mental Health Services	10,885	12,630	12,306
Social Services	133,010	253,569	226,288
Anti-Drug Abuse	41,264	38,664	39,860
TOTAL	<u>\$ 739,405</u>	<u>\$ 944,169</u>	<u>\$ 903,567</u>

Community Services

This block grant provides funds for community-based programs that offer health, nutrition, housing and employment related services to improve the standard of living of low-income persons.

Programs consolidated into the block include Community Action, Senior Opportunities and Services, Community Food and Nutrition, Energy Conservation and Training, Evaluation and Technical Assistance.

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

Department / Appropriation	(Dollar Amounts in Thousands)		
	1993-94	1994-95	1995-96
	Actual Block	Estimated Block	Recommended Block
Community Affairs:			
Administration	\$ 652	\$ 851	\$ 903*
Community Services	15,893	16,422	16,700
TOTAL	\$ 16,545	\$ 17,273	\$ 17,603

*Includes carryover.

Small Communities

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

The program recognizes Pennsylvania's need to rehabilitate its aging housing and infrastructure in order to benefit low and moderate income citizens.

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

(Dollar Amounts in Thousands)

Department / Appropriation	1993-94	1994-95	1995-96
	Actual Block	Estimated Block	Recommended Block
Community Affairs:			
Administration	\$ 1,067	\$ 1,134	\$ 1,110
Small Communities	59,878	65,000	65,000
TOTAL	<u>\$ 60,945</u>	<u>\$ 66,134</u>	<u>\$ 66,110</u>

Education

The Improving America's Schools Act of 1994 reauthorized the Education block grant. These funds will be used for technical assistance and statewide educational reform activities to provide innovative targeted educational assistance to schools, including technology related to the implementation of school based reform programs, professional development, instructional educational materials and assessments, library services and materials, computer hardware and software, literacy programs, gifted and talented programs and for services to private school students.

Federal law provides that the Commonwealth must distribute at least 85 percent of the block grant funds to local education agencies. The remaining 15 percent shall be available to the State for targeted assistance of which no more than 25 percent shall be available for State administrative costs.

The school district portion of the block grant is distributed according to a formula based on the number of students, poverty and population density.

Department / Appropriation	(Dollar Amounts in Thousands)		
	1993-94 Actual Block	1994-95 Estimated Block	1995-96 Recommended Block
Education:			
Education Block Grant—Administration	\$ 485	\$ 1,165	\$ 591
Education Block Grant—Targeted Assistance and Effective Schools	3,093 ^a	2,891 ^a	1,618 ^a
Subtotal	<u>\$ 3,578</u>	<u>\$ 4,056</u>	<u>\$ 2,209</u>
School Districts:			
Education Block Grant — School District Distribution	\$ 15,012	\$ 15,705	\$ 12,220
Subtotal	<u>\$ 15,012</u>	<u>\$ 15,705</u>	<u>\$ 12,220</u>
TOTAL	<u><u>\$ 18,590</u></u>	<u><u>\$ 19,761</u></u>	<u><u>\$ 14,429</u></u>

^aIncludes carryover.

Maternal and Child Health

This block grant provides funds for health services for mothers and children to reduce infant mortality and the incidence of preventable diseases and disabling conditions among children, rehabilitative services for visually impaired and disabled individuals under age 16 and treatment and care for disabled children.

The Omnibus Budget Reconciliation Act of 1981 provides that the Federal Department of Health and Human Services (DHHS) monitors administrative expenses to insure they do not exceed traditional levels. In accordance with DHHS final rules and regulations, administrative costs will not exceed ten percent. The 1995-96 recommendation combines administration and program operations which includes staff providing direct programmatic services.

Department / Appropriation	(Dollar Amounts in Thousands)		
	1993-94 Actual Block	1994-95 Estimated Block	1995-96 Recommended Block
Health:			
Administration and Operations .....	.....	.....	\$ 12,085
Administration	\$ 1,686	\$ 1,996	.....
Program Services	28,601*	31,381	19,412
TOTAL	\$ 30,287	\$ 33,377	\$ 31,497

*Actually appropriated as Disabled Children, \$8,235,000, and Maternal Services \$20,366,000.

Preventive Health and Health Services

This block grant provides for preventive health services for individuals and families and for a variety of public health services to reduce preventable morbidity and mortality. Programs consolidated into the block grant by the Omnibus Budget Reconciliation Act of 1981 include emergency medical services, health incentive grants, hypertension control, rodent control, health education/risk reduction, and rape prevention and crisis services. Administration is limited to ten percent. The 1995-96 recommendation combines administration and program operations which includes staff providing direct programmatic services.

The Preventive Health Act Amendments of 1992 also allow funds to be spent on achieving Year 2000 Health Objectives and work toward eliminating disparities between the health status of the general population and that of identifiable subpopulations including geographical, racial, ethnic, gender or other groups.

Department / Appropriation	(Dollar Amounts in Thousands)		
	1993-94	1994-95	1995-96
	Actual Block	Estimated Block	Recommended Block
Health:			
Administration and Operations .....	.....	.....	\$ 1,573
Administration	\$ 497	\$ 650	.....
Program Services	5,087 ^a	6,694	6,501
Tuberculosis Programs	1,007	1,500	627
Diabetes Task Force	549	731	731
Subtotal	<u>\$ 7,140</u>	<u>\$ 9,575</u>	<u>\$ 9,432</u>
Public Welfare:			
Rape Crisis Centers	\$ 360	\$ 360	\$ 420
Environmental Protection:			
Rodent Control	\$ 212	.....	.....
TOTAL	<u><u>\$ 7,712</u></u>	<u><u>\$ 9,935</u></u>	<u><u>\$ 9,852</u></u>

^aActually appropriated as PHHSBG — Health Education & Prevention, \$3,095,000 and PHHSBG — Hypertension Services, \$1,992,000.

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.

Department / Appropriation	(Dollar Amounts in Thousands)		
	1993-94 Actual Block	1994-95 Estimated Block	1995-96 Recommended Block
Department of Public Welfare:			
SABG — Homeless Services	\$ 1,983 ^a	\$ 1,983 ^a	\$ 1,983 ^a
SABG — Program Evaluation	324 ^a	350 ^a	67 ^a
Subtotal	<u>\$ 2,307</u>	<u>\$ 2,333</u>	<u>\$ 2,050</u>
Executive Offices:			
State Employees Assistance Program	<u>\$ 626</u>	.....	.....
Corrections:			
Rehabilitation — Administration	\$ 110 ^a	.....	.....
Drug and Alcohol Services	2,031 ^a	\$ 2,150 ^a	\$ 2,100 ^a
Subtotal	<u>\$ 2,141</u>	<u>\$ 2,150</u>	<u>\$ 2,100</u>
Health:			
SABG Administration	\$ 1,609	\$ 1,669	\$ 2,100
Drug and Alcohol Services	54,690 ^b	66,000	56,133
Subtotal	<u>\$ 56,299</u>	<u>\$ 67,669</u>	<u>\$ 58,233</u>
TOTAL	<u><u>\$ 56,925</u></u>	<u><u>\$ 67,669</u></u>	<u><u>\$ 58,233</u></u>

^aSubgrants not added to total to avoid double counting

^bActually appropriated as Alcohol Services, \$26,806,000, and Drug Services, \$27,884,000.

Job Training Partnership

The Federal Job Training Partnership Act (JTPA) places responsibility for the administration of job training programs with the Commonwealth. The ultimate goal is to provide unsubsidized employment to those entering and completing the program. Under JTPA, Title II (Training Services for Disadvantaged) serves economically disadvantaged adults, youth and older workers. Title III (Employment and Training Assistance for Dislocated Workers) serves dislocated workers.

Title II is divided into three categories. Title II-A, Adult Training Programs, requires that 77 percent of its funds pass through to Service Delivery Areas (SDAs) to establish programs to prepare adults for participation in the labor force by increasing their occupational and educational skills. The remainder of the funds under this title are spent as follows: eight percent for educational training programs, five percent for incentive grants, five percent for older workers programs and five percent for administration. Title II-C, Youth Training Programs, requires that 82 percent of its funds pass through the SDAs to improve the long-term employability of youth, enhance the educational, occupational, and citizenship skills of youth, reduce welfare dependency and assist youth in addressing problems that impair their ability to make successful transitions from school to work, apprenticeship, the military, or postsecondary education and training. The remainder of the funds under this title are spent as follows: eight percent for educational training program, five percent for incentive grants and five percent for administration. Title II-B (Summer Youth Employment and Training Programs) requires that 100 percent of its funds pass through the SDAs to enhance the basic educational skills of youth; to encourage school completion or enrollment in supplementary or alternative school programs; to provide eligible youth with exposure to the world of work; and to enhance the citizenship skills of youth.

Title III, as amended by the Economic Dislocation and Worker Adjustment Assistance (EDWAA) Act of 1988, funds are used to provide rapid response assistance; to deliver, coordinate, and integrate basic readjustment services and support services; to provide retraining services; to provide needs-related payments; and to provide for coordination with the unemployment compensation system. In addition to the EDWAA program, three other Title III programs provide funds for dislocated workers assistance: the Clean Air Employment Transition Assistance Program, the Defense Conversion Adjustment Program and the Defense Diversification Program.

In 1993-94 Summer Youth received \$7.1 million in Federal stimulus funds which are included in the appropriation.

Administration of these titles is shared by the Departments of Labor and Industry, Education and the Office of the Budget.

Department / Appropriation	(Dollar Amounts in Thousands)		
	1993-94 Actual Block	1994-95 Estimated Block	1995-96 Recommended Block
Executive Offices:			
Office of the Budget	\$ 350	\$ 590	\$ 425
Education:			
Linkages	\$ 757	\$ 1,293	\$ 1,157
Corrections Education	250	370	370
Educational Training	5,535	6,372	5,537
Subtotal	<u>\$ 6,542</u>	<u>\$ 8,035</u>	<u>\$ 7,064</u>
Labor and Industry:			
Administration	\$ 2,792	\$ 3,670	\$ 5,777
Grants to Service Delivery Areas	74,000	76,800	80,640
Summer Youth Program	85,000	85,000	85,000
Incentive Grants	6,499	6,743	7,080
Older Workers	4,498	4,668	4,901
Dislocated Workers	49,912	103,000	113,077
Veterans' Employment	873	873	546
Subtotal	<u>\$ 223,574</u>	<u>\$ 280,754</u>	<u>\$ 297,021</u>
TOTAL	<u>\$ 230,466</u>	<u>\$ 289,379</u>	<u>\$ 304,510</u>

Child Care and Development

The Omnibus Budget Reconciliation Act of 1990 created a new block grant which provided funds to the states starting in September 1991. This block grant has no State match requirements. Funds are distributed to states by formula. Seventy-five percent of the grant may be used either to provide child care services directly to families with incomes below 75 percent of the State median income or to increase the availability or quality of child care.

Of the remaining 25 percent, three-fourths has to be spent on programs to provide preschool education or to serve school-age children before and/or after school. Another 20 percent must be spent on quality improvement activities. Pennsylvania could spend the remaining five percent of the funds on either activity.

(Dollar Amounts in Thousands)

Department / Appropriation	1993-94 Actual Block	1994-95 Estimated Block	1995-96 Recommended Block
Education:			
Child Care Block Grant Services	\$ 5,249	\$ 5,937	\$ 6,779
Public Welfare:			
Child Care Block Grant Administration	\$ 1,825	\$ 2,243	\$ 2,165
Child Care Block Grant Services	23,074	26,974	26,974
Subtotal	<u>\$ 24,899</u>	<u>\$ 29,217</u>	<u>\$ 29,139</u>
 TOTAL	 <u>\$ 30,148</u>	 <u>\$ 35,154</u>	 <u>\$ 35,918</u>

Low-Income Home Energy Assistance

This block grant provides funds to assist eligible low-income individuals and families to meet the cost of home energy and to provide low cost residential weatherization or other energy related home repairs for low-income households. In the past, the Department of Public Welfare's energy assistance program received supplemental funding from the Energy Conservation and Assistance Fund. The fund provided \$9,000,000 in 1993-94 which was converted to a two year continuing appropriation by Act 6A of 1994, \$351,000 in 1994-95 and \$450,000 in 1995-96 for the Low-Income Home Energy Assistance Program (LIHEAP).

Department / Appropriation	(Dollar Amounts in Thousands)		
	1993-94 Actual Block	1994-95 Estimated Block	1995-96 Recommended Block
Community Affairs:			
Low-Income Home Energy Assistance Block			
Grant — Administration	\$ 298	\$ 440	\$ 440
Low-Income Home Energy Assistance Block			
Grant — Grants	8,217	8,360	8,360
Emergency Funds — Grants	1,000	.....	.....
Subtotal	<u>\$ 9,515</u>	<u>\$ 8,800</u>	<u>\$ 8,800</u>
Public Welfare:			
Low-Income Home Energy Assistance Block			
Grant — Administration	\$ 6,775	\$ 8,919	\$ 8,852
Emergency Funds — Administration	1,948	.....	.....
Low-Income Home Energy Assistance Block			
Grant — Grants	68,903	82,905	69,309
Emergency Funds — Grants	15,487	.....	.....
Subtotal	<u>\$ 93,113</u>	<u>\$ 91,824</u>	<u>\$ 78,161</u>
TOTAL	<u>\$ 102,628</u>	<u>\$ 100,624</u>	<u>\$ 86,961</u>

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	1993-94 Actual Block	1994-95 Estimated Block	1995-96 Recommended Block
Public Welfare:			
Administration	\$ 150	\$ 150	\$ 114
Mental Health Services	10,735	12,480	12,192
TOTAL.....	\$ 10,885	\$ 12,630	\$ 12,306

Social Services

Funds are provided to help individuals achieve or maintain self-sufficiency; to prevent, reduce or eliminate dependency; to prevent or remedy abuse and neglect of children and adults; and to prevent or reduce institutional care. Most services are delivered by local entities that receive grants or contract with the department. These Federal allocations serve to augment State appropriations thereby increasing the total level of services provided. Pennsylvania's share of total Federal funds appropriated has been declining due to a decline in the State's proportional share of national population. The Omnibus Reconciliation Act of 1993 included a new grant program to states under the Social Services Block Grant for the establishment of empowerment zones and enterprise communities. Federal funds are being targeted to specific urban or rural areas in proven economic distress. Funds received by the State go directly to eligible communities.

Department / Appropriation	(Dollar Amounts in Thousands)		
	1993-94	1994-95	1995-96
	Actual Block	Estimated Block	Recommended Block
Public Welfare:			
General Government	\$ 4,743	\$ 4,743	\$ 4,743
County Assistance Offices	11,649	11,649	11,649
Youth Development	801	1,355	5,374
Closing Philadelphia State Hospital	4,334	.....	.....
Community Mental Health	13,799	18,133	18,133
Community Mental Retardation	17,124	17,124	17,124
Early Intervention	2,687	2,687	2,687
County Child Welfare	15,449	15,449	15,449
Day Care	37,927	37,931	37,931
Domestic Violence	1,476	1,476	1,476
Rape Crisis	776	776	776
Family Planning	4,708	4,708	4,708
Legal Services	6,183	6,183	6,183
Homeless Assistance	2,673	2,673	2,673
Developmentally Disabled	147	147	147
Attendant Care	8,534	8,535	8,535
Empowerment Zones and Enterprise Communities .....	.....	120,000 ^a	88,700 ^a
TOTAL	\$ 133,010	\$ 253,569	\$ 226,288

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

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.

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

The objective of the Safe and Drug Free Schools and Communities program is to establish state and local programs for alcohol and drug abuse education and prevention, in addition to violence prevention, coordinated with related community efforts and resources. Most of the allocation made to Pennsylvania is administered by the Department of Education with the majority of these funds going to local education agencies. The remainder of the amount allocated to the State is used by the Governor's Office for grants and contracts with community-based organizations for the development and implementation of broadly based programs for alcohol and drug abuse education and prevention.

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

Department / Appropriation	(Dollar Amounts in Thousands)		
	1993-94 Actual Block	1994-95 Estimated Block	1995-96 Recommended Block
DRUG CONTROL AND SYSTEMS IMPROVEMENT FORMULA GRANT PROGRAM (DCSI)			
Executive Offices:			
<i>Juvenile Court Judges Commission</i>			
DCSI-Juvenile Drug & Alcohol Probation Units	\$ 657 ^a	\$ 219 ^a	
DCSI-Juvenile Disposition Data Collection		206 ^a	\$ 137 ^a
Subtotal	\$ 657	\$ 425	\$ 137
<i>Commission on Crime and Delinquency</i>			
DCSI-Administration	\$ 495	\$ 618	\$ 618
DCSI-Program Grants	18,270	18,200	19,000
DCSI-Criminal History Records	8	10	10
Subtotal	\$ 18,773	\$ 18,828	\$ 19,628
<i>Drug Policy Council</i>			
DCSI-Administration	\$ 49 ^a	\$ 50 ^a	
Aging:			
DCSI-Elder Abuse Education and Prevention			\$ 214 ^a
Attorney General:			
DCSI-Child Care Dependent Abuse Training		\$ 96 ^a	
DCSI-Drug Transportation Interdiction	\$ 119 ^a	48 ^a	
DCSI-Combatting Drug Gang Activities	120 ^a	638 ^a	\$ 343 ^a
DCSI-Criminal History Records Audits	17 ^a	560 ^a	330 ^a
DCSI-Continuation of the Philadelphia Initiative	330 ^a		
DCSI-Task Force Maintenance		700 ^a	
DCSI-Local Drug Task Forces	234 ^a		
DCSI-Monitoring Prescription Abuse			233 ^a
Subtotal	\$ 820	\$ 2,042	\$ 906
Community Affairs:			
DCSI-Regional Police Assistance	\$ 312 ^a	\$ 300 ^a	\$ 100 ^a
Corrections:			
DCSI-Correctional Institutions	\$ 348 ^a	\$ 525 ^a	
DCSI-Women and Children	6 ^a	445 ^a	\$ 350 ^a
DCSI-County Data Automation	28 ^a	82 ^a	50 ^a
DCSI-Tracking System		282 ^a	283 ^a
DCSI-Enhanced Victim Notification			75 ^a
DCSI-Outpatient Treatment of Sexual Offenders			150 ^a
DCSI-Drug and Alcohol Units			18 ^a
DCSI-Evaluation of Drug and Alcohol Services			38 ^a
DCSI-Therapeutic Community-Dallas			300 ^a
Subtotal	\$ 382	\$ 1,334	\$ 1,264

^aSubgrants not added to total to avoid double counting.

Anti-Drug Abuse (continued)

(Dollar Amounts in Thousands)

Department / Appropriation	1993-94 Actual Block	1994-95 Estimated Block	1995-96 Recommended Block
Education:			
DCSI-Statewide Juvenile Records Center .....	.....	\$ 40 ^a	\$ 13 ^a
Probation and Parole:			
DCSI-State Parole Services	\$ 309 ^a	\$ 60 ^a	.....
DCSI-Probation and Parole Training .....	.....	29 ^a	.....
DCSI-County Audit Probation Automated System .....	.....	100 ^a	\$ 38 ^a
DCSI-Community Control Electronic Monitoring .....	.....	171 ^a	.....
DCSI-Parole Officer Distance Learning .....	.....	50 ^a	19 ^a
DCSI-Safety Equipment for Supervisory Personnel .....	.....	718 ^a	.....
Subtotal	\$ 309	\$ 1,128	\$ 57
Public Welfare:			
DCSI-Transition/Reentry	\$ 961 ^a	\$ 911 ^a	\$ 161 ^a
DCSI-Youth Development Centers	993 ^a	248 ^a	.....
DCSI-Southeast Secure Unit	34 ^a	30 ^a	19 ^a
DCSI-Alternatives to Institutionalization	377 ^a	188 ^a	.....
DCSI-Juvenile Justice System Enhancements .....	.....	899 ^a	599 ^a
DCSI-Secure Treatment Facility .....	.....	.....	2,625 ^a
Subtotal	\$ 2,365	\$ 2,276	\$ 3,404
State Police:			
DCSI-Drug Law Enforcement	\$ 62 ^a	.....	.....
DCSI-Municipal Police Drug Law Enforcement	905 ^a	\$ 300 ^a	.....
DCSI-Crime Lab Upgrade	1,206 ^a	150 ^a	.....
DCSI-Communications Processor .....	.....	783 ^a	.....
DCSI-Fingerprint System .....	.....	462 ^a	.....
DCSI-Fingerprint Storage and Forwarding .....	.....	.....	\$ 1,095 ^a
DCSI-Fingerprint Compliance .....	.....	19 ^a	.....
Subtotal	\$ 2,173	\$ 1,714	\$ 1,095
TOTAL	\$ 18,773	\$ 18,828	\$ 19,628
SAFE AND DRUG FREE SCHOOLS AND COMMUNITIES (DFSC)			
Executive Offices:			
<i>Commission on Crime and Delinquency</i>			
DFSC Special Programs - Drug Abuse			
Resistance Education (DARE)	\$ 63 ^a	\$ 70 ^a	\$ 70 ^a
<i>Drug Policy Council</i>			
DFSC-Administration	\$ 176 ^a	\$ 200 ^a	.....
Education:			
DFSC-Administration	\$ 1,039	\$ 972	\$ 1,368
DFSC-School Districts	16,383	14,100	14,100
DFSC-Special Programs	4,445	4,164	4,164
DFSC-Special Programs/Dropout Prevention	624	600	600
DFSC-Special Programs/Scotland School for Veterans' Children	6 ^a	15 ^a	3 ^a
Subtotal	\$ 22,497	\$ 19,851	\$ 20,235
Health:			
DFSC-Special Programs-Student Assistance Program	\$ 1,000 ^a	\$ 900 ^a	\$ 900 ^a
Public Welfare:			
DFSC-Special Programs-Juvenile Aftercare Services	\$ 1,250 ^a	\$ 1,000 ^a	\$ 1,000 ^a
DFSC-Special Programs-Domestic Violence ..	449 ^a	404 ^a	404 ^a
DFSC-Special Programs-Rape Crisis	125 ^a	113 ^a	113 ^a
Subtotal	\$ 1,824	\$ 1,517	\$ 1,517
TOTAL	\$ 22,491	\$ 19,836	\$ 20,232
GRAND TOTAL ALL PROGRAMS	\$ 41,264	\$ 38,664	\$ 39,860

^aSubgrants not added to total to avoid double counting.

PUBLIC INFORMATION AND COMMUNICATIONS

The Commonwealth spends funds on activities to provide government information to the news media and the general public and for other essential communications efforts. Funds are budgeted in over 30 agencies to provide public notification and information to the Commonwealth's public, news media, businesses, legislators and citizens regarding the bidding of contracts, issuance of rules and regulations, announcement of public hearings and the availability of services and financial aid. The amounts shown reflect that beginning in 1995-96 the interagency billings for press services will be discontinued. The amounts which are detailed below exclude those items which are strictly educational and materials which are offered for public sale such as the "Game News" and "Angler."

<u>Department</u>	(Dollar Amounts in Thousands)	
	<u>1994-95</u> Estimate	<u>1995-96</u> Estimate
Governor's Office	\$ 1,090	\$ 981
Executive Offices	489	349
Lieutenant Governor's Office	63	65
Department of Aging	131	137
Department of Agriculture	223	231
Banking Department	75	79
Civil Service Commission	63	71
Commerce	281	301
Department of Community Affairs	254	269
Department of Corrections	119	124
Department of Education	221	239
Emergency Management Agency	105	109
Department of Environmental Protection	1,314	1,420
Fish and Boat Commission	80	83
Game Commission	256	261
Department of General Services	116	129
Department of Health	174	175
Historical and Museum Commission	90	95
Insurance Department	128	134
Department of Labor and Industry	415	323
Liquor Control Board	128	129
Department of Military Affairs	96	108
Milk Marketing Board	155	177
Board of Probation and Parole	16	18
Public Television Network	10	11
Public Utility Commission	189	203
Department of Public Welfare	284	243
Department of Revenue	164	174
Securities Commission	17	17
Department of State	165	174
State Police	180	190
Department of Transportation	490	537
TOTAL	\$ 7,581	\$ 7,556

The Commonwealth also spends funds in these areas:

- *Lottery sales promotion* — \$18 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 1994-95. These expenditures are expected to generate approximately \$875 million in lottery revenues during 1994-95.
- *Economic development* — A total of \$6 million is recommended from the General Fund to promote tourism and economic development. This has contributed to an estimated \$10.6 billion in 1994-95 travel revenues to Pennsylvania and supports the State's aggressive effort to preserve and create jobs.



Governor's Executive Budget

PROGRAM
BUDGET
SUMMARY



Commonwealth of Pennsylvania

Commonwealth Program Budget

This section summarizes the 1995-96 budget by the seven major program areas in which the Commonwealth provides services to its residents. It crosses departmental lines as well as individual special funds. As such it provides an overview of the major recommendations of this budget for program improvements or continuation.

Each program presentation contains a summary statement of budget recommendations in that program as well as a breakout of categories and subcategories (subdivisions of activities) which contribute to the Commonwealth's total effort in that program.

Five-Year Summary of Commonwealth Programs

(Dollar Amounts in Thousands)

	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
DIRECTION AND SUPPORTIVE SERVICES							
GENERAL FUND.....	\$ 501,603	\$ 540,039	\$ 553,726	\$ 573,447	\$ 582,972	\$ 595,737	\$ 610,411
SPECIAL FUNDS.....	326,395	344,077	350,672	355,349	359,623	364,344	369,295
FEDERAL FUNDS.....	1,285	13,300	8,888	5,185	5,185	5,185	5,185
OTHER FUNDS.....	300,156	329,742	334,549	332,811	343,986	356,872	370,618
TOTAL OPERATING.....	\$ 1,129,439	\$ 1,227,158	\$ 1,247,835	\$ 1,266,792	\$ 1,291,766	\$ 1,322,138	\$ 1,355,509
CAPITAL BOND AUTHORIZATION.....	\$ 32,791	\$ 130,276	0	\$ 7,189	\$ 7,988	\$ 8,875	\$ 9,861
PROGRAM TOTAL.....	\$ 1,162,230	\$ 1,357,434	\$ 1,247,835	\$ 1,273,981	\$ 1,299,754	\$ 1,331,013	\$ 1,365,370
PROTECTION OF PERSONS AND PROPERTY							
GENERAL FUND.....	\$ 1,278,065	\$ 1,466,254	\$ 1,541,266	\$ 1,687,469	\$ 1,797,433	\$ 1,902,178	\$ 2,017,995
SPECIAL FUNDS.....	332,029	354,336	371,186	384,160	396,266	410,076	423,840
FEDERAL FUNDS.....	130,441	186,553	218,841	188,054	187,197	186,947	186,847
OTHER FUNDS.....	843,271	1,016,790	928,821	893,771	921,667	941,333	931,729
TOTAL OPERATING.....	\$ 2,583,806	\$ 3,023,933	\$ 3,060,114	\$ 3,153,454	\$ 3,302,563	\$ 3,440,534	\$ 3,560,411
CAPITAL BOND AUTHORIZATION.....	\$ 50,578	\$ 61,651	\$ 84,000	\$ 37,166	\$ 40,517	\$ 45,019	\$ 50,021
PROGRAM TOTAL.....	\$ 2,634,384	\$ 3,085,584	\$ 3,144,114	\$ 3,190,620	\$ 3,343,080	\$ 3,485,553	\$ 3,610,432
INTELLECTUAL DEVELOPMENT AND EDUCATION							
GENERAL FUND.....	\$ 6,830,927	\$ 7,093,450	\$ 7,328,330	\$ 7,338,655	\$ 7,352,398	\$ 7,339,252	\$ 7,349,326
SPECIAL FUNDS.....	1,476	1,672	1,498	1,498	1,498	1,498	1,498
FEDERAL FUNDS.....	763,426	888,062	932,200	932,200	932,200	932,200	932,200
OTHER FUNDS.....	360,165	371,888	428,232	385,920	386,141	386,399	386,672
TOTAL OPERATING.....	\$ 7,955,994	\$ 8,355,072	\$ 8,690,260	\$ 8,658,273	\$ 8,672,237	\$ 8,659,349	\$ 8,669,696
CAPITAL BOND AUTHORIZATION.....	\$ 94,080	\$ 229,824	0	\$ 45,144	\$ 50,161	\$ 55,736	\$ 61,928
PROGRAM TOTAL.....	\$ 8,050,074	\$ 8,584,896	\$ 8,690,260	\$ 8,703,417	\$ 8,722,398	\$ 8,715,085	\$ 8,731,624
HEALTH AND HUMAN SERVICES							
GENERAL FUND.....	\$ 5,316,933	\$ 5,616,302	\$ 5,690,976	\$ 5,892,678	\$ 5,954,497	\$ 6,036,768	\$ 6,121,306
SPECIAL FUNDS.....	595,865	591,651	587,805	593,255	598,570	605,368	612,662
FEDERAL FUNDS.....	5,759,056	6,596,797	6,264,211	6,236,838	6,296,145	6,295,456	6,453,744
OTHER FUNDS.....	653,640	679,986	459,151	506,809	536,848	558,675	581,296
TOTAL OPERATING.....	\$12,325,494	\$13,484,736	\$13,002,143	\$13,229,580	\$13,386,060	\$13,496,267	\$13,769,008
CAPITAL BOND AUTHORIZATION.....	\$ 62,009	\$ 13,281	\$ 8,400	\$ 19,321	\$ 21,468	\$ 23,853	\$ 26,504
PROGRAM TOTAL.....	\$12,387,503	\$13,498,017	\$13,010,543	\$13,248,901	\$13,407,528	\$13,520,120	\$13,795,512
ECONOMIC DEVELOPMENT							
GENERAL FUND.....	\$ 518,759	\$ 515,168	\$ 462,507	\$ 474,824	\$ 487,260	\$ 489,118	\$ 484,649
SPECIAL FUNDS.....	69,142	64,500	0	0	0	0	0
FEDERAL FUNDS.....	376,257	515,993	513,914	511,614	511,614	511,614	511,614
OTHER FUNDS.....	497,877	611,868	495,078	496,243	504,907	514,745	525,449
TOTAL OPERATING.....	\$ 1,462,035	\$ 1,707,529	\$ 1,471,499	\$ 1,482,681	\$ 1,503,781	\$ 1,515,477	\$ 1,521,712
CAPITAL BOND AUTHORIZATION.....	\$ 209,988	\$ 433,766	0	\$ 3,849	\$ 4,276	\$ 4,751	\$ 5,279
PROGRAM TOTAL.....	\$ 1,672,023	\$ 2,141,295	\$ 1,471,499	\$ 1,486,530	\$ 1,508,057	\$ 1,520,228	\$ 1,526,991

Five-Year Summary of Commonwealth Programs

(Dollar Amounts in Thousands)

	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
TRANSPORTATION AND COMMUNICATION							
GENERAL FUND.....	\$ 312,441	\$ 319,721	\$ 331,274	\$ 338,926	\$ 345,531	\$ 350,813	\$ 355,665
SPECIAL FUNDS.....	1,132,139	1,191,655	1,197,486	1,117,951	1,115,612	1,112,740	1,108,137
FEDERAL FUNDS.....	747,900	893,178	937,668	748,858	787,341	862,604	930,506
OTHER FUNDS.....	635,490	749,292	849,056	714,626	696,346	705,887	716,382
TOTAL OPERATING.....	\$ 2,827,970	\$ 3,153,846	\$ 3,315,484	\$ 2,920,361	\$ 2,944,830	\$ 3,032,044	\$ 3,110,690
CAPITAL BOND AUTHORIZATION.....	\$ 177,801	\$ 1,207,980	\$ 0	\$ 54,628	\$ 60,698	\$ 67,442	\$ 74,935
PROGRAM TOTAL.....	\$ 3,005,771	\$ 4,361,826	\$ 3,315,484	\$ 2,974,989	\$ 3,005,528	\$ 3,099,486	\$ 3,185,625
RECREATION AND CULTURAL ENRICHMENT							
GENERAL FUND.....	\$ 175,806	\$ 179,703	\$ 186,843	\$ 201,674	\$ 205,131	\$ 208,444	\$ 213,799
SPECIAL FUNDS.....	75,497	82,980	78,738	78,537	80,573	72,991	71,519
FEDERAL FUNDS.....	22,324	35,911	31,828	31,705	31,715	31,757	31,812
OTHER FUNDS.....	37,886	74,932	113,710	99,293	99,334	99,365	99,399
TOTAL OPERATING.....	\$ 311,513	\$ 373,526	\$ 411,119	\$ 411,209	\$ 416,753	\$ 412,557	\$ 416,529
CAPITAL BOND AUTHORIZATION.....	\$ 26,797	\$ 25,701	\$ 0	\$ 30,233	\$ 33,592	\$ 37,324	\$ 41,472
PROGRAM TOTAL.....	\$ 338,310	\$ 399,227	\$ 411,119	\$ 441,442	\$ 450,345	\$ 449,881	\$ 458,001
COMMONWEALTH TOTALS							
GENERAL FUND.....	\$14,934,534	\$15,730,637	\$16,094,922	\$16,507,673	\$16,725,222	\$16,922,310	\$17,153,151
SPECIAL FUNDS.....	2,532,543	2,630,871	2,587,385	2,530,750	2,552,142	2,567,017	2,586,951
FEDERAL FUNDS.....	7,800,689	9,129,794	8,907,550	8,654,454	8,751,397	8,825,763	9,051,908
OTHER FUNDS.....	3,328,485	3,834,498	3,608,597	3,429,473	3,489,229	3,563,276	3,611,545
TOTAL OPERATING.....	\$28,596,251	\$31,325,800	\$31,198,454	\$31,122,350	\$31,517,990	\$31,878,366	\$32,403,555
CAPITAL BOND AUTHORIZATION.....	\$ 654,044	\$ 2,102,479	\$ 92,400	\$ 197,530	\$ 218,700	\$ 243,000	\$ 270,000
PROGRAM TOTAL.....	\$29,250,295	\$33,428,279	\$31,290,854	\$31,319,880	\$31,736,690	\$32,121,366	\$32,673,555

Direction and Supportive Service

The goal of this Commonwealth program is to provide an effective administrative support system through which the goals and objectives of the Commonwealth programs can be attained.

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

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

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
Administrative And Support Services	\$ 80,761	\$ 71,661	\$ 66,708	\$ 69,141	\$ 71,314	\$ 74,137	\$ 76,833
Executive Direction	78,389	69,287	63,004	65,307	67,368	70,062	72,620
Personnel Selection	1	1	1	1	1	1	1
State Retirement System	600	560	543	543	543	543	543
Legal Services	1,771	1,813	3,160	3,290	3,402	3,531	3,669
Fiscal Management	\$ 458,410	\$ 497,527	\$ 517,160	\$ 526,809	\$ 534,846	\$ 546,228	\$ 558,276
Revenue Collection And Administration	386,095	406,890	422,911	430,172	436,147	445,146	454,655
Disbursement	34,938	51,968	55,647	56,453	57,149	57,953	58,810
Auditing	37,377	38,669	38,602	40,184	41,550	43,129	44,811
Physical Facilities And Commodities Management	\$ 100,070	\$ 103,154	\$ 117,944	\$ 118,096	\$ 120,655	\$ 123,940	\$ 127,036
Facility, Property And Commodity Management	100,070	103,154	117,944	118,096	120,655	123,940	127,036
Legislative Processes	\$ 161,223	\$ 182,984	\$ 180,904	\$ 180,904	\$ 180,904	\$ 180,904	\$ 180,904
Legislature	161,223	182,984	180,904	180,904	180,904	180,904	180,904
Interstate Relations	\$ 764	\$ 815	\$ 832	\$ 832	\$ 832	\$ 832	\$ 832
Interstate Relations	764	815	832	832	832	832	832
Debt Service	\$ 26,770	\$ 27,975	\$ 20,850	\$ 33,014	\$ 34,044	\$ 34,040	\$ 35,825
Debt Service	26,770	27,975	20,850	33,014	34,044	34,040	35,825
PROGRAM TOTAL	\$ 827,998	\$ 884,116	\$ 904,398	\$ 928,796	\$ 942,595	\$ 960,081	\$ 979,706

Protection of Persons and Property

The goal of this Commonwealth program is to provide an environment and a social system in which the lives of individuals and the property of individuals and organizations are protected from natural and man-made disasters and from illegal and unfair action.

This program deals with the following substantive areas- consumer protection, certain regulatory activities, the criminal justice system and mitigation of the effects of disasters.

Within these broad areas, the State Police, Department of Banking, Attorney General, Department of Corrections, Public Utility Commission, Liquor Control Board, Department of Military Affairs, Emergency Management Agency, Board of Probation and Parole, State Judicial System, Milk Marketing Board, Securities Commission, Department of State and the Insurance Department deal almost entirely with protection of persons and property. Several agencies such as the Executive Offices and the Departments of Environmental Protection, Agriculture and Labor and Industry are more diversified and some of their activities are included in this program as well as other Commonwealth programs.

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
General Administration And Support	\$ 21,922	\$ 30,864	\$ 29,570	\$ 30,564	\$ 31,423	\$ 32,415	\$ 33,472
Criminal & Juvenile Justice Planning	2,768	8,396	8,341	8,464	8,571	8,694	8,825
Environmental Support Services	19,154	22,468	21,229	22,100	22,852	23,721	24,647
Public Protection And Law Enforcement	\$ 444,108	\$ 475,404	\$ 504,037	\$ 526,151	\$ 544,052	\$ 564,725	\$ 586,665
State Police	320,387	341,104	366,740	383,237	396,266	411,324	427,368
Attorney General	50,453	53,406	54,560	56,862	58,861	61,160	63,525
Highway Safety Administration And Licensing	73,268	80,894	82,737	86,052	88,925	92,241	95,772
Control And Reduction Of Crime	\$ 643,217	\$ 777,990	\$ 878,131	\$ 972,366	\$ 1,058,762	\$ 1,140,051	\$ 1,227,715
Institutionalization Of Offenders	595,379	721,558	819,765	912,202	997,101	1,076,660	1,162,481
Reintegration Of Adult Offenders	47,838	56,432	58,366	60,164	61,661	63,391	65,234
Juvenile Crime Prevention	\$ 4,920	\$ 5,465	\$ 4,282	\$ 4,384	\$ 4,411	\$ 4,447	\$ 4,485
Reintegration Of Juvenile Delinquents	4,920	5,465	4,282	4,384	4,411	4,447	4,485
Adjudication Of Defendants	\$ 153,792	\$ 160,713	\$ 169,631	\$ 173,437	\$ 178,277	\$ 183,871	\$ 189,830
State Judicial System	153,792	160,713	169,631	173,437	178,277	183,871	189,830
Public Order & Community Safety	\$ 17,532	\$ 18,176	\$ 19,758	\$ 20,402	\$ 21,094	\$ 21,893	\$ 22,745
Emergency Management	4,045	3,933	4,421	4,660	4,819	5,002	5,197
State Military Readiness	13,487	14,243	15,337	15,742	16,275	16,891	17,548
Protection From Natural Hazards & Disasters	\$ 133,241	\$ 143,291	\$ 112,600	\$ 116,460	\$ 119,920	\$ 123,921	\$ 128,182
Environmental Protection And Management	133,241	143,291	112,600	116,460	119,920	123,921	128,182

Protection of Persons and Property (continued)

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
Consumer Protection	\$ 69,372	\$ 78,801	\$ 81,420	\$ 84,298	\$ 86,331	\$ 88,732	\$ 91,256
Consumer Protection	1,557	2,527	2,614	2,610	2,578	2,566	2,660
Financial Institution Regulation	11,675	10,413	9,841	10,244	10,593	10,995	11,424
Securities Industry Regulation	2,277	2,353	2,223	2,314	2,393	2,484	2,581
Insurance Industry Regulation	12,197	14,020	15,022	15,549	16,078	16,688	17,340
Horse Racing Regulation	7,336	11,804	13,015	13,992	14,022	14,087	14,012
Milk Industry Regulation	1,815	2,032	2,456	2,173	2,243	2,323	2,409
Protection & Development Of Agricultural Industries	32,515	35,652	36,249	37,416	38,424	39,589	40,830
Community And Occupational Safety and Stability	\$ 19,032	\$ 18,956	\$ 18,358	\$ 19,111	\$ 19,759	\$ 20,511	\$ 21,310
Community And Occupational Safety And Stability	17,759	17,684	17,064	17,764	18,367	19,066	19,809
Fire Prevention And Safety	1,273	1,272	1,294	1,347	1,392	1,445	1,501
Prevention And Elimination Of Discriminatory Practices	\$ 8,554	\$ 8,820	\$ 8,888	\$ 9,253	\$ 9,568	\$ 9,932	\$ 10,320
Prevention And Elimination Of Discriminatory Practices	8,554	8,820	8,888	9,253	9,568	9,932	10,320
Debt Service	\$ 94,404	\$ 102,110	\$ 85,777	\$ 115,203	\$ 120,102	\$ 121,756	\$ 125,855
Debt Service	94,404	102,110	85,777	115,203	120,102	121,756	125,855
PROGRAM TOTAL	\$ 1,610,094	\$ 1,820,590	\$ 1,912,452	\$ 2,071,629	\$ 2,193,699	\$ 2,312,254	\$ 2,441,835

Intellectual Development and Education

The goal of this program is to provide a system of learning experiences and opportunities which will permit each individual to achieve his maximum potential intellectual development.

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

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

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
Educational Support Services	\$ 25,581	\$ 27,752	\$ 22,313	\$ 23,228	\$ 24,018	\$ 24,931	\$ 25,903
Educational Support Services	25,581	27,752	22,313	23,228	24,018	24,931	25,903
Basic Education	\$ 5,316,666	\$ 5,504,367	\$ 5,722,246	\$ 5,679,532	\$ 5,687,865	\$ 5,674,242	\$ 5,675,714
Basic Education	5,230,983	5,415,618	5,632,279	5,589,565	5,597,898	5,584,275	5,585,747
Public Utility Realty Payments	85,683	88,749	89,967	89,967	89,967	89,967	89,967
Higher Education	\$ 1,371,442	\$ 1,439,128	\$ 1,492,337	\$ 1,492,337	\$ 1,492,337	\$ 1,492,337	\$ 1,492,337
Higher Education	1,136,814	1,184,087	1,201,456	1,201,456	1,201,456	1,201,456	1,201,456
Financial Assistance To Students	199,675	218,764	255,206	255,206	255,206	255,206	255,206
Financial Assistance To Institutions	34,953	36,277	35,675	35,675	35,675	35,675	35,675
Debt Service	\$ 118,714	\$ 123,875	\$ 92,932	\$ 145,056	\$ 149,676	\$ 149,240	\$ 156,870
Debt Service	118,714	123,875	92,932	145,056	149,676	149,240	156,870
PROGRAM TOTAL	<u>\$ 6,832,403</u>	<u>\$ 7,095,122</u>	<u>\$ 7,329,828</u>	<u>\$ 7,340,153</u>	<u>\$ 7,353,896</u>	<u>\$ 7,340,750</u>	<u>\$ 7,350,824</u>

Health and Human Services

The goals of this program are to ensure that all citizens of the Commonwealth have access to a comprehensive quality medical care system; to provide for income maintenance through cash and military assistance; and to provide a system of services that maximize the capacity of individuals and families to adjust to society and to minimize socially aberrant behavior.

This program deals with the following substantive areas: research; prevention and treatment of physical, mental health and mental retardation disorders; maternal and child health care; financial assistance for older Pennsylvanians, medically needy, and families with dependent children; and other programs aimed at addressing the various problems individuals encounter in a complex society.

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

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
Human Services Support	\$ 75,466	\$ 79,002	\$ 70,578	\$ 75,194	\$ 75,567	\$ 75,623	\$ 77,215
Human Services Support	75,466	79,002	70,578	75,194	75,567	75,623	77,215
Social Development Of Individuals	\$ 504,748	\$ 493,692	\$ 460,717	\$ 515,776	\$ 518,630	\$ 522,595	\$ 525,940
Human Services	504,748	493,692	460,717	515,776	518,630	522,595	525,940
Support Of Older Pennsylvanians	\$ 600,805	\$ 625,461	\$ 622,041	\$ 628,013	\$ 633,399	\$ 640,268	\$ 647,562
Community Services For Older Pennsylvanians	160,201	172,346	177,133	182,271	187,534	192,970	198,501
Older Pennsylvanians Transit	131,004	136,115	137,908	142,742	147,865	153,298	159,061
Homeowners And Renters Assistance	102,600	100,000	99,000	98,000	97,000	96,000	95,000
Pharmaceutical Assistance	207,000	217,000	208,000	205,000	201,000	198,000	195,000
Income Maintenance	\$ 1,143,510	\$ 1,117,983	\$ 1,050,349	\$ 1,046,006	\$ 1,052,685	\$ 1,062,917	\$ 1,075,677
Income Maintenance	1,135,822	1,086,599	1,043,477	1,039,568	1,046,587	1,057,159	1,070,259
Workers Compensation And Assistance	5,005	28,629	4,234	3,800	3,460	3,120	2,780
Military Compensation And Assistance	2,683	2,755	2,638	2,638	2,638	2,638	2,638
Physical Health Treatment	\$ 2,546,112	\$ 2,782,013	\$ 2,830,793	\$ 2,989,932	\$ 3,041,194	\$ 3,108,424	\$ 3,173,671
Medical Assistance	2,301,722	2,520,678	2,566,233	2,720,760	2,768,823	2,832,357	2,893,667
Health Treatment Services	21,638	22,555	21,261	21,285	21,306	21,330	21,355
Health Support Services	18,689	20,800	21,738	22,629	23,398	24,287	25,234
Health Research	8,534	9,496	8,749	8,753	8,953	9,184	9,430
Emergency Food Assistance	12,000	13,000	13,000	13,000	13,000	13,000	13,000
Prevention and Treatment of Drug and Alcohol Abuse	34,556	37,031	37,160	37,160	37,160	37,160	37,160
Preventive Health	119,917	118,656	117,989	118,670	119,258	119,937	120,661
Veterans Homes	29,056	39,797	44,663	47,675	49,296	51,169	53,164

Health and Human Services (continued)

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	<u>1993-94</u> <u>Actual</u>	<u>1994-95</u> <u>Available</u>	<u>1995-96</u> <u>Budget</u>	<u>1996-97</u> <u>Estimated</u>	<u>1997-98</u> <u>Estimated</u>	<u>1998-99</u> <u>Estimated</u>	<u>1999-00</u> <u>Estimated</u>
Mental Health	\$ 390,922	\$ 423,687	\$ 514,724	\$ 492,269	\$ 492,417	\$ 492,570	\$ 492,728
Mental Health	390,922	423,687	514,724	492,269	492,417	492,570	492,728
Mental Retardation	\$ 610,433	\$ 649,738	\$ 699,814	\$ 695,243	\$ 695,844	\$ 696,464	\$ 697,101
Mental Retardation	610,433	649,738	699,814	695,243	695,844	696,464	697,101
Debt Service	\$ 40,802	\$ 36,377	\$ 29,765	\$ 43,500	\$ 43,331	\$ 43,275	\$ 44,074
Debt Service	40,802	36,377	29,765	43,500	43,331	43,275	44,074
PROGRAM TOTAL	\$ 5,912,798	\$ 6,207,953	\$ 6,278,781	\$ 6,485,933	\$ 6,553,067	\$ 6,642,136	\$ 6,733,968

Economic Development

The goal of this program is to provide a system in which the employment opportunities of individuals, the economic growth and development of communities and the overall economic development of the Commonwealth will be maximized, including optimum use of natural resources to support economic growth.

This program is concerned with the Commonwealth's efforts in industrial development, employability development, community improvement, resource development, labor-management relations and job training.

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

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
Economic Development Support Services	\$ 37,336	\$ 39,116	\$ 29,967	\$ 30,204	\$ 29,551	\$ 29,951	\$ 30,378
Economic Development Support Services	37,336	39,116	29,967	30,204	29,551	29,951	30,378
Commonwealth Economic Development	\$ 193,023	\$ 195,445	\$ 126,804	\$ 126,804	\$ 126,804	\$ 126,804	\$ 126,812
Business and Job Development	149,044	151,455	90,304	90,304	90,304	90,304	90,312
Technology Development	33,979	37,990	36,500	36,500	36,500	36,500	36,500
Environmental Infrastructure	10,000	6,000	.....	.....	.....	.....	.....
Economic Development of the Disadvantaged and Disabled	\$ 51,018	\$ 53,527	\$ 47,965	\$ 48,183	\$ 48,371	\$ 48,589	\$ 48,821
Job Training	13,248	12,174	12,278	12,496	12,684	12,902	13,134
Job Training Development	13,615	11,987	10,662	10,662	10,662	10,662	10,662
Vocational Rehabilitation	24,155	29,366	25,025	25,025	25,025	25,025	25,025
Community Development	\$ 158,208	\$ 149,615	\$ 119,087	\$ 119,517	\$ 119,889	\$ 120,318	\$ 120,775
Community Development And Conservation	76,677	62,864	35,454	35,884	36,256	36,685	37,142
Housing Assistance	19,500	22,500	18,500	18,500	18,500	18,500	18,500
Public Utility Realty Payments	62,031	64,251	65,133	65,133	65,133	65,133	65,133
Local Government Assistance	\$ 8,452	\$ 4,507	\$ 7,973	\$ 7,973	\$ 7,973	\$ 7,973	\$ 7,973
Municipal Administrative Support Capability	2,570	1,211	1,611	1,611	1,611	1,611	1,611
Municipal Pension Systems	5,882	3,296	6,362	6,362	6,362	6,362	6,362
Debt Service	\$ 139,864	\$ 137,458	\$ 130,711	\$ 142,143	\$ 154,672	\$ 155,483	\$ 149,890
Debt Service	139,864	137,458	130,711	142,143	154,672	155,483	149,890
PROGRAM TOTAL	\$ 587,901	\$ 579,668	\$ 462,507	\$ 474,824	\$ 487,260	\$ 489,118	\$ 484,649

Transportation and Communication

The purpose of this program is to provide a system for the fast, efficient and safe movement of individuals, cargo and information within the Commonwealth which is interfaced with a national and international system of transportation and communication.

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

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
Transportation Systems And Services	\$ 1,213,327	\$ 1,281,922	\$ 1,324,677	\$ 1,274,157	\$ 1,275,826	\$ 1,275,715	\$ 1,282,531
State Highway and Bridge Construction and Reconstruction	135,582	176,400	152,600	138,400	140,000	145,000	150,000
Local Highway and Bridge Assistance	165,310	169,757	173,281	171,581	172,677	173,575	174,697
Mass Transportation	240,448	247,592	255,019	255,031	255,045	255,060	255,075
Intercity Rail and Bus Transportation	5,488	4,488	5,488	5,488	5,488	5,488	5,488
Air Transportation	95						
State Highway and Bridge Maintenance	635,869	652,279	691,243	661,785	659,835	651,637	655,691
Transportation Support Services	30,535	31,406	47,046	41,872	42,781	44,955	41,580
Debt Service	\$ 231,253	\$ 229,454	\$ 204,083	\$ 182,720	\$ 185,317	\$ 187,838	\$ 181,271
Debt Service	231,253	229,454	204,083	182,720	185,317	187,838	181,271
PROGRAM TOTAL	\$ 1,444,580	\$ 1,511,376	\$ 1,528,760	\$ 1,456,877	\$ 1,461,143	\$ 1,463,553	\$ 1,463,802

Recreation and Cultural Enrichment

The goal of this program is to make available sufficient opportunities for individual and group recreation and cultural growth.

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

In addition, the Fish and Boat Commission, Game Commission, Public Television Network and Council on the Arts contribute to this Commonwealth category.

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
Recreation	\$ 146,637	\$ 156,714	\$ 160,812	\$ 164,273	\$ 169,111	\$ 164,768	\$ 166,747
Parks And Forests Management	74,666	73,749	82,069	85,727	88,529	91,768	95,219
Recreational Fishing And Boating	27,941	29,297	26,682	27,222	27,718	28,224	28,729
Wildlife Management	44,030	53,668	52,061	51,324	52,864	44,776	42,799
Cultural Enrichment	\$ 69,560	\$ 73,085	\$ 75,351	\$ 78,798	\$ 79,615	\$ 80,560	\$ 81,567
State Historical Preservation	16,035	18,209	16,549	17,187	17,737	18,373	19,051
Local Museum Assistance	2,681	3,026	3,806	3,806	3,806	3,806	3,806
Development Of Artists And Audiences	9,801	9,875	9,875	9,911	9,942	9,978	10,016
State Library Services	32,206	32,822	35,968	38,623	38,757	38,912	39,077
Public Television Services	8,837	9,153	9,153	9,271	9,373	9,491	9,617
Debt Service	\$ 35,106	\$ 32,884	\$ 29,418	\$ 37,140	\$ 36,978	\$ 36,107	\$ 37,004
Debt Service	35,106	32,884	29,418	37,140	36,978	36,107	37,004
PROGRAM TOTAL	\$ 251,303	\$ 262,683	\$ 265,581	\$ 280,211	\$ 285,704	\$ 281,435	\$ 285,318



Governor's Executive Budget

SUMMARY

BY

FUND



Commonwealth of Pennsylvania

GENERAL FUND

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

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

GENERAL FUND

Financial Statement

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Estimated
Beginning Balance	\$ 218,033	\$ 302,175	\$ 336,162
Adjustment to Beginning Balance ..	<u>-2,971</u>	<u>147</u>	<u>.....</u>
Adjusted Beginning Balance	\$ 215,062	\$ 302,322	\$ 336,162
Revenue:			
Revenue Receipts	\$ 15,210,742	\$ 16,061,800	\$ 16,432,300
Less Refunds Reserve	-214,600	-410,000	-455,000
Less Proposed Tax Reduction .....	.....	.....	-214,800
Total Revenue	<u>\$ 14,996,142</u>	<u>\$ 15,651,800</u>	<u>\$ 15,762,500</u>
Prior Year Lapses	59,080	120,000	.....
Funds Available	<u>\$ 15,270,284</u>	<u>\$ 16,074,122</u>	<u>\$ 16,098,662</u>
Expenditures:			
Appropriations	\$ 15,069,645	\$ 15,665,767	\$ 16,094,922
Supplemental Appropriations .....	.....	64,870	.....
Less Current Year Lapses	<u>-135,111</u>	<u>-52,000</u>	<u>.....</u>
Estimated Expenditures	<u>-14,934,534</u>	<u>-15,678,637</u>	<u>-16,094,922</u>
Closing Balance	<u>\$ 335,750</u>	<u>\$ 395,485</u>	<u>\$ 3,740</u>
Less Transfer to Tax Stabilization Reserve Fund	<u>-33,575</u>	<u>-59,323</u>	<u>-561</u>
Fund Balance	<u><u>\$ 302,175</u></u>	<u><u>\$ 336,162</u></u>	<u><u>\$ 3,179</u></u>

NOTES ON FINANCIAL STATEMENT

(Dollar Amounts in Thousands)

PROPOSED TAX REDUCTION

1995-96
Estimated

Corporate Net Income Tax:
Rate Reduction **\$ -143,300**

A reduction of the tax rate to the scheduled rate of 9.99% is proposed, effective January 1, 1995. The tax rate for the 1995 tax year is currently 10.99% and is scheduled to decline each subsequent year until the rate reaches 9.99% for the 1997 tax year. The proposed change accelerates the reduction of the tax rate to 9.99% by two years.

Net Operating Loss Deduction **-6,900**

An increase is proposed for the annual limit on net operating loss deductions from taxable income in subsequent tax years. The current limit is \$500,000. The increased limit would be effective for tax years beginning on and after January 1, 1995. Losses for the period when the deduction was suspended (1989 through 1994) remain subject to the \$500,000 annual cap.

Income Apportionment — Sales Factor **-35,700**

A double weighting of the sales factor in the apportionment formula used to calculate Pennsylvania taxable income for the corporate net income tax is proposed. The double weighting would be effective beginning with the 1995 tax year.

Inheritance Tax **-28,900**

Transfers of non-jointly held property from a decedent to a surviving spouse are proposed to be exempt from the inheritance tax for decedents dying after December 31, 1994. This change accelerates the scheduled termination of the tax on these transfers by three years.

TOTAL PROPOSED TAX REDUCTION **\$ -214,800**

GENERAL FUND

NOTES ON FINANCIAL STATEMENT

(Dollar Amounts in Thousands)

SUPPLEMENTAL APPROPRIATIONS

	1994-95 Estimated
Executive Offices	
Transportation and Safety Building Fire and Relocation	\$ <u>6,777</u>
Education	
Distressed School District Assistance	\$ 451
Authority Rentals	8,037
Pupil Transportation	5,293
Nonpublic Pupil Transportation	943
Early Intervention	8,398
Homebound Instruction	40
School Food Services	228
Education Total	<u>\$ 23,390</u>
Public Welfare	
Cash Grants	\$ 10,311
Supplemental Grants — Aged, Blind and Disabled	2,568
Medical Assistance — Outpatient	21,824
Public Welfare Total	<u>\$ 34,703</u>
TOTAL	<u>\$ 64,870</u>

PROPOSED FUND TRANSFER CHANGES

Transfer to Tax Stabilization Reserve Fund

This budget proposes that the Transfer to the Tax Stabilization Reserve Fund (commonly called the "Rainy Day" Fund) be increased from 10 percent to 15 percent of the General Fund closing balance effective with the transfer based on the June 30, 1995 closing balance.

GENERAL FUND

STATE FUNDS BY DEPARTMENT

The following is a summary, by department, of 1993-94 expenditures, the 1994-95 amounts available and the 1995-96 amounts budgeted as presented in the General Fund budget.

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Budget
Governor's Office	\$ 7,288	\$ 7,458	\$ 6,719
Executive Offices	93,077	91,057	85,589
Lieutenant Governor's Office	891	1,032	977
Office Of Attorney General	50,453	53,406	54,560
Auditor General	43,259	41,965	44,964
Treasury	531,043	551,347	489,526
Aging	8,850	9,071	9,596
Agriculture	41,293	45,243	45,863
Civil Service Commission	1	1	1
Commerce	157,217	170,061	156,771
Community Affairs	79,247	64,075	37,065
Conservation And Natural Resources	71,166	73,749	82,069
Corrections	595,379	721,558	819,765
Education ^a	6,436,122	6,669,480	6,901,330
Emergency Management Agency	5,318	5,205	5,715
Environmental Protection ^b	149,395	165,642	133,679
Fish And Boat Commission	9	9	9
General Services	74,509	75,404	90,154
Health	203,334	208,538	206,897
Higher Education Assistance Agency	234,628	255,041	290,881
Historical And Museum Commission	18,716	21,235	20,355
Housing Finance Agency	19,500	22,500	18,500
Infrastructure Investment Authority (Pennvest)	10,000	6,000	0
Insurance	12,197	14,020	15,022
Labor And Industry	54,534	81,666	56,985
Military Affairs	45,226	56,795	62,638
Milk Marketing Board	125	125	125
Board Of Probation And Parole	47,838	56,432	58,366
Public Television Network	8,837	9,153	9,153
Public Welfare	4,990,113	5,253,045	5,355,093
Revenue ^c	244,305	256,668	268,371
Securities Commission	2,277	2,353	2,223
State	1,557	2,527	2,614
State Employees' Retirement System	600	560	543
State Police	104,845	110,856	119,290
Tax Equalization Board	1,234	1,301	1,466
Transportation	275,136	282,362	291,513
Legislature ^d	161,223	182,984	180,904
Judiciary	153,792	160,713	169,631
TOTAL	\$ 14,934,534	\$ 15,730,637	\$ 16,094,922

^a Includes SSHE.

^b Includes Environmental Hearing Board.

^c Excludes refunds.

^d Includes Ethics Commission and Health Care Cost Containment Council.

GENERAL FUND

FEDERAL FUNDS BY DEPARTMENT

The following is a summary of Federal funds, by department, of 1993-94 expenditures, the 1994-95 amounts available and the 1995-96 amounts budgeted as presented in the General Fund budget.

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
Executive Offices	\$ 25,106	\$ 36,596	\$ 87,719
Office Of Attorney General	6,268	8,043	7,179
Aging	0	0	214
Agriculture	3,872	4,144	3,532
Commerce	1,593	2,300	2,245
Community Affairs	106,818	129,909	124,861
Conservation And Natural Resources	4,789	16,712	15,742
Corrections	2,651	4,264	3,449
Education	770,284	896,185	939,207
Emergency Management Agency	2,565	3,462	3,064
Environmental Protection*	65,090	102,480	97,428
General Services	0	60	0
Health	258,578	314,663	308,329
Higher Education Assistance Agency	0	824	412
Historical And Museum Commission	1,120	1,637	1,490
Infrastructure Investment Authority (Pennvest)	0	51,500	41,500
Labor And Industry	314,967	381,842	397,525
Military Affairs	27,275	41,970	33,038
Board Of Probation And Parole	309	1,128	57
Public Television Network	0	119	5
Public Utility Commission	912	960	965
Public Welfare	5,373,903	6,145,441	5,809,031
State Police	6,313	7,750	5,478
Transportation	12,966	17,739	18,119
Legislature ^b	0	1,000	0
TOTAL	\$ 6,985,379	\$ 8,170,728	\$ 7,900,589

^a Includes Environmental Hearing Board.

^b Includes Ethics Commission and Health Care Cost Containment Council.

GENERAL FUND

AUGMENTATIONS BY DEPARTMENT

The following is a summary of augmentations, by department, of 1993-94 expenditures, the 1994-95 amounts available and the 1995-96 amounts budgeted as presented in the General Fund budget.

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Budget
Executive Offices	\$ 55,531	\$ 61,098	\$ 65,620
Lieutenant Governor's Office	143	95	85
Office Of Attorney General*	6,075	8,807	8,638
Auditor General	7,481	7,706	7,902
Treasury	6,593	7,106	106,888
Agriculture	2,537	3,309	3,488
Civil Service Commission	11,071	11,555	12,330
Commerce*	4,361	9,032	8,879
Community Affairs	5,641	6,515	6,285
Conservation And Natural Resources	21,188	23,157	21,633
Corrections	1,188	785	525
Education	7,892	12,545	7,751
Emergency Management Agency	279	112	128
Environmental Protection ^b	14,221	21,722	18,915
General Services	12,115	15,258	4,440
Health	35,511	47,929	7,087
Historical And Museum Commission	706	612	897
Insurance	2,593	2,559	2,666
Labor And Industry	16,257	20,588	24,652
Military Affairs	7,668	9,661	11,264
Board Of Probation And Parole	6,665	6,999	7,699
Public Utility Commission*	36,453	39,132	38,657
Public Television Network	195	227	30
Public Welfare	359,897	362,713	164,463
Revenue	11,335	16,498	17,476
Securities Commission	1,951	2,215	2,246
State*	19,993	20,927	21,924
State Police	21,130	22,162	22,782
Transportation*	3,614	5,487	4,949
Legislature	9	.....	.....
Judiciary*	14,225	15,233	15,197
TOTAL	\$ 694,518	\$ 761,744	\$ 615,496

^a Includes funds appropriated from restricted revenues.

^b Includes Environmental Hearing Board.

General Fund Revenue Summary

Five Year Revenue Projections

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Estimated	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
TAX REVENUE							
Corporation Taxes							
Corporate Net Income	\$ 1,554,112	\$ 1,681,600	\$ 1,606,500	\$ 1,590,400	\$ 1,559,700	\$ 1,602,300	\$ 1,652,500
Capital Stock and Franchise	881,128	927,400	984,500	1,045,200	1,092,200	1,150,100	1,217,700
Selective Business:							
Gross Receipts Tax	646,413	681,600	698,400	721,500	746,500	771,600	797,500
Public Utility Realty	156,616	153,300	160,000	157,700	159,300	160,200	161,200
Insurance Premiums	266,909	261,700	284,000	298,400	314,600	329,800	345,600
Financial Institutions	160,931	168,300	171,700	180,700	193,000	205,000	217,800
Other	12,591	10,000	10,000	10,000	10,000	10,000	10,000
Total—Corporation Taxes	\$ 3,678,700	\$ 3,883,900	\$ 3,915,100	\$ 4,003,900	\$ 4,075,300	\$ 4,229,000	\$ 4,402,300
Consumption Taxes							
Sales and Use	\$ 5,124,463	\$ 5,594,000	\$ 5,815,500	\$ 6,098,800	\$ 6,361,500	\$ 6,668,100	\$ 6,980,800
Cigarette	307,679	296,700	290,700	283,400	274,900	266,700	258,700
Malt Beverage	26,258	26,500	26,000	26,000	26,000	26,000	26,000
Liquor	119,985	122,500	123,700	124,900	126,100	127,400	128,700
Total—Consumption Taxes	\$ 5,578,385	\$ 6,039,700	\$ 6,255,900	\$ 6,533,100	\$ 6,788,500	\$ 7,088,200	\$ 7,394,200
Other Taxes							
Personal Income Tax	\$ 4,872,745	\$ 5,021,500	\$ 5,168,100	\$ 5,404,800	\$ 5,604,600	\$ 5,854,300	\$ 6,139,500
Realty Transfer	207,706	178,200	178,500	186,600	195,500	205,700	218,500
Inheritance	603,985	603,200	615,900	636,500	660,800	679,500	713,500
Minor and Repealed	1,320	1,000	1,000	1,000	1,000	1,000	1,000
Total—Other Taxes	\$ 5,685,756	\$ 5,803,900	\$ 5,963,500	\$ 6,228,900	\$ 6,461,900	\$ 6,740,500	\$ 7,072,500
TOTAL TAX REVENUE	\$ 14,942,841	\$ 15,727,500	\$ 16,134,500	\$ 16,765,900	\$ 17,325,700	\$ 18,057,700	\$ 18,869,000
NONTAX REVENUE							
Liquor Store Transfer	\$ 47,000	\$ 60,000	\$ 42,000	\$ 42,000	\$ 42,000	\$ 42,000	\$ 42,000
Licenses, Fees and Miscellaneous:							
Licenses and Fees	65,684	67,700	65,100	65,100	65,100	65,100	65,100
Miscellaneous	130,372	171,500	167,000	167,000	167,000	167,000	167,000
Fines, Penalties and Interest:							
On Taxes	22,500	33,700	22,700	22,700	22,700	22,700	22,700
Other	2,345	1,400	1,000	1,000	1,000	1,000	1,000
TOTAL NONTAX REVENUES	\$ 267,901	\$ 334,300	\$ 297,800	\$ 297,800	\$ 297,800	\$ 297,800	\$ 297,800
GENERAL FUND TOTAL	\$ 15,210,742	\$ 16,061,800	\$ 16,432,300	\$ 17,063,700	\$ 17,623,500	\$ 18,355,500	\$ 19,166,800

General Fund Revenues

Adjustments To Revenue Estimate

On June 16, 1994, the Official Estimate for 1994-95 was certified to be \$15,765,300,000.

The adjustments detailed below take into account actual revenue collections through the first seven 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)		
TAX REVENUE	1994-95 Official Estimate	Adjustments	1994-95 Revised Estimate
Corporation Taxes			
Corporate Net Income	\$ 1,528,800	\$ 152,800	\$ 1,681,600
Capital Stock and Franchise	967,100	-39,700	927,400
Selective Business:			
Gross Receipts	668,000	13,600	681,600
Public Utility Realty	154,100	-800	153,300
Insurance Premiums	257,300	4,400	261,700
Financial Institutions	162,900	5,400	168,300
Other	10,000	.....	10,000
Total—Corporation Taxes	\$ 3,748,200	\$ 135,700	\$ 3,883,900
Consumption Taxes			
Sales and Use	\$ 5,398,100	\$ 195,900	\$ 5,594,000
Cigarette	284,900	11,800	296,700
Malt Beverage	26,500	.....	26,500
Liquor	122,500	.....	122,500
Total—Consumption Taxes	\$ 5,832,000	\$ 207,700	\$ 6,039,700
Other Taxes			
Personal Income Tax	\$ 5,078,000	\$ -56,500	\$ 5,021,500
Realty Transfer	183,600	-5,400	178,200
Inheritance	623,000	-19,800	603,200
Minor and Repealed	1,000	.....	1,000
Total—Other Taxes	\$ 5,885,600	\$ -81,700	\$ 5,803,900
TOTAL TAX REVENUE	\$ 15,465,800	\$ 261,700	\$ 15,727,500
NONTAX REVENUE			
Liquor Store Profits	\$ 70,000	\$ -10,000	\$ 60,000
Licenses, Fees and Miscellaneous:			
Licenses and Fees	65,800	1,900	67,700
Miscellaneous	138,600	32,900	171,500
Fines, Penalties and Interest:			
On Taxes	22,700	11,000	33,700
Other	2,400	-1,000	1,400
TOTAL NONTAX REVENUES	\$ 299,500	\$ 34,800	\$ 334,300
GENERAL FUND TOTAL	\$ 15,765,300	\$ 296,500	\$ 16,061,800

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.

Tax Rates: January 1, 1997 and thereafter	9.99%
January 1, 1996 to December 31, 1996	10.75%
January 1, 1995 to December 31, 1995	10.99%
January 1, 1994 to December 31, 1994	11.99%
January 1, 1991 to December 31, 1993	12.25%
January 1, 1987 to December 31, 1990	8.50%
January 1, 1985 to December 31, 1986	9.50%
January 1, 1977 to December 31, 1984	10.50%

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

Capital Stock and Franchise Taxes

Tax Base: The taxes are levied on the capital stock value of domestic and foreign corporations doing business or having property or capital employed in the State on that portion of the capital stock value apportionable to Pennsylvania under a statutory apportionment formula. The first \$75,000 of capital stock value is exempt and a minimum tax payment of \$300 is required.

Tax Rates: January 1, 1992 to current	11 mills plus a 1.75 mill surtax (including 0.5 mill for transfer semiannually to the Hazardous Sites Cleanup Fund).
January 1, 1991 to December 31, 1991	11 mills plus a 2 mill surtax (including 0.5 mill for transfer semiannually to the Hazardous Sites Cleanup Fund and 0.25 mill for transfer semiannually to the State Lottery Fund).
January 1, 1988 to December 31, 1990	9.5 mills (including 0.5 mill for transfer semiannually to the Hazardous Sites Cleanup Fund).
January 1, 1987 to December 31, 1987	9 mills.
Prior to January 1, 1987	10 mills.

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

Gross Receipts Tax

Tax Base: This tax is levied on the gross receipts from business transacted wholly within Pennsylvania by specified companies owned, operated or leased by corporations, associations or individuals. Beginning in 1993-94, 0.25 mills is transferred to the Alternative Fuels Incentive Grant Fund. The revenue estimate is net of this transfer.

Tax Rates:

For all companies except motor transportation companies:

July 1, 1991 to current	45 mills plus a 5 mill surtax (electric utilities pay 44 mills).
January 1, 1988 to July 1, 1991	44 mills.
Prior to January 1, 1988	45 mills.

Motor transportation companies are taxed at the rate of 8 mills.

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

General Fund Revenue Sources

Public Utility Realty Tax

Tax Base: This tax is levied on the State taxable value of the property owned by utilities furnishing utility service and regulated by the Pennsylvania Public Utility Commission or similar regulatory body. The State taxable value is defined as the cost of utility realty, less reserves for depreciation or depletion as shown by the books of account of the utility.

Tax Rates: 30 mills on each dollar of State taxable value. Revenue from an additional 12 mills is deposited in the Public Transportation Assistance Fund.

Reference: Purdon's Title 72 P.S. §8101-A—§8108-A.

Insurance Premiums Tax

Tax Base: This tax is levied on the gross premiums and annuity considerations 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 and certain annuity considerations plus a retaliatory tax where applicable. Marine insurance companies pay a 5 percent tax on underwriting profits attributable to Pennsylvania in lieu of the gross premiums tax. A tax of 3 percent is imposed on all gross premiums of surplus lines agents less any return premiums placed with an unlicensed insurer.

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

Financial Institutions Taxes

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

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

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

Other Selective Business Taxes

Tax Base: Other selective business taxes include: Loans Tax Domestic and Foreign, Act of June 22, 1935, P.L. 414 as amended; Electric Cooperative Corporation Tax, Act of June 21, 1937, P.L. 1969; and Agricultural Cooperative Associations Corporate Tax, Act of May 23, 1945, P.L. 893.

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

References: Purdon's Title 72 P.S. §3250—§3250-14. Loans Tax—Domestic and Foreign.
Purdon's Title 72 P.S. §3420-21—§3420-28. Agricultural Cooperative Associations.

Sales and Use Tax

Tax Base: The tax is levied on the sale at retail, including rental, of tangible personal property and certain services, or upon the use within Pennsylvania of tangible personal property or taxable services purchased at retail if the tax was not paid at time of purchase. A tax on the occupancy of hotel rooms is imposed as part of the sales and use tax law. The portion of the tax applicable to periodicals is transferred to the Public Transportation Assistance Fund. An additional transfer is made from this tax to the Public Transportation Assistance Fund representing the revenue forgone from the exclusion of certain trucks from the lease tax. The revenue estimate is net of these transfers.

Tax Rate: A bracket system based on 6 percent of purchase price for Sales and Use Tax and 6 percent of rent for Hotel Occupancy Tax.

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

General Fund Revenue Sources

Cigarette Tax

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

Tax Rate: The rate is 1.55 cents per cigarette. Prior to August 19, 1991 the rate was 0.9 cents per cigarette. Beginning in 1992-93, two thirty-firsts of receipts are transferred semiannually to the Children's Health Fund. Beginning in 1993-94, an additional two thirty-firsts of receipts are transferred semiannually to the Agricultural Conservation Easement Purchase Fund. The revenue estimates are net of these transfers.

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

Malt Beverage Tax

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

Tax Rates: The tax rate is two-thirds of a cent (2/3c) per half pint of 8 fluid ounces or fraction thereof, and in larger quantities at the rate of one cent (1c) per pint of 16 fluid ounces or fraction thereof.

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

Liquor Tax

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

Tax Rates: The rate is 18% of the net retail purchase price.

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, and (8) income from estates and trusts. The tax is also paid by non-resident individuals, estates and trusts on the following income from sources within the Commonwealth: compensation for personal services performed in Pennsylvania unless the taxpayer is a resident of a state with which there is a reciprocal agreement; net profits from activity conducted in Pennsylvania; and income from the rental, ownership or disposition of any real or personal property. A loss in one class of income may not be offset against income in another class, nor may gains or losses be carried back or forward from year to year.

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

1993 to Present	2.80%
1992	2.95%
1991	2.60%
1987 to 1990	2.10%
1986	2.16%
1985	2.35%

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

Realty Transfer Tax

Tax Base: The tax is levied on the value of the real estate transferred by a deed, instrument or other writing. Other taxable transfers include long-term leases greater than thirty years, transfers of real estate from industrial development authorities which will not be used primarily for industrial purposes and "deemed" transfers of real estate because of the acquisition of companies which are in the business of holding or selling real estate. Beginning in July 1994 and thereafter, 15 percent of the State levied Realty Transfer Tax revenues are transferred to the Keystone Recreation, Park and Conservation Fund. The revenue estimates are net of this transfer.

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

References: Purdon's Title 72 P.S. §8101-C — §8111-C.

General Fund Revenue Sources

Inheritance Tax

Tax Base: The Inheritance Tax is imposed on the value of property transferred to beneficiaries of a deceased person and on certain transfers made during the decedent's lifetime. The value of the transfer is established on the date of the decedent's death. The Estate Tax is based on the amount of the Federal estate tax credit for state death taxes on estates situated in Pennsylvania.

Tax Rates: Generally, lineal beneficiaries are taxed at the rate of 6 percent and collateral beneficiaries are taxed at 15 percent. The Estate Tax is equal to the amount of Federal estate tax credit for state death taxes, less the inheritance tax paid. An exemption for transfers to spouses of non-jointly held property is being phased in over a three year period through lower tax rates.

Reference: Purdon's Title 72 Pa.C.S.A. §1701-§1796.

Minor and Repealed Taxes

Minor Taxes Include: Tax on Legal Documents, Act of April 6, 1830, P.L. 272 (Purdon's Title 72 P.S. §3171) and the Spiritous 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).

Liquor Store Transfer

The Liquor Store Transfer is an amount determined by the Liquor Control Board to be available for transfer to the General Fund from the State Stores Fund to be used for general appropriation purposes as provided by Act No. 412-1/2 of July 18, 1935, P.L. 1316 (Purdon's Title 47 P.S. §744-907b).

Licenses, Fees and Miscellaneous Revenue

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

Miscellaneous revenues includes all other income to be used for general appropriation purposes in the General Fund, except monies which are given to the Commonwealth by individuals, or are provided by law to be used only for a specific purpose. One large source is earnings on securities and deposits. Other major sources are transfers from special funds, escheats and district justice costs.

Beginning July 1, 1987, the total of all fines, fees and costs collected by any division of the unified judicial system which are in excess of the amount collected from such sources in 1986-87 are to be deposited in the Judicial Computer System Augmentation Account in accordance with Act 1987-64 (Purdon's Title 42 Pa.C.S.A. § 3733). Any fines, fees or costs which are allocated to counties and municipalities are not affected by this act.

Fines, Penalties and Interest

This revenue source includes all penalties and interest collected in the enforcement of tax regulations. The largest portion is from corporation taxes penalties and interest.

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

General Fund Revenue Detail

The following is a detailed list of all General Fund revenues available for general appropriation.
This listing does not include special restricted receipts and receipts augmenting appropriations
or Federal funds.

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Estimated	1995-96 Budget
TAX REVENUE			
Corporate Net Income Tax	<u>\$ 1,554,112</u>	<u>\$ 1,681,600</u>	<u>\$ 1,606,500</u>
Capital Stock and Franchise Taxes			
Capital Stock Taxes—Domestic	\$ 488,465	\$ 514,116	\$ 545,771
Franchise Taxes—Foreign	392,663	413,284	438,729
Subtotal	<u>\$ 881,128</u>	<u>\$ 927,400</u>	<u>\$ 984,500</u>
Gross Receipts Tax			
Electric, Hydroelectric and Water Power	\$ 409,285	\$ 431,565	\$ 442,201
Gas	91,528	96,510	98,889
Motor Transportation	3,348	3,530	3,617
Telephone and Telegraph	138,735	146,287	149,893
Transportation	3,517	3,708	3,800
Subtotal	<u>\$ 646,413</u>	<u>\$ 681,600</u>	<u>\$ 698,400</u>
Public Utility Realty Tax	<u>\$ 156,616</u>	<u>\$ 153,300</u>	<u>\$ 160,000</u>
Insurance Premiums Tax			
Domestic Casualty	\$ 46,918	\$ 46,002	\$ 49,922
Domestic Fire	26,123	25,613	27,796
Domestic Life and Previously Exempted Lines	9,928	9,734	10,564
Excess Insurance Brokers	7,024	6,887	7,474
Foreign Excess Casualty	9,454	9,269	10,059
Foreign Excess Fire	5,451	5,345	5,800
Foreign Life	157,493	154,420	167,578
Marine	401	393	427
Title Insurance	1,787	1,752	1,901
Unauthorized Insurance	2,330	2,285	2,479
Subtotal	<u>\$ 266,909</u>	<u>\$ 261,700</u>	<u>\$ 284,000</u>
Financial Institutions Taxes			
Federal Mutual Thrift Institutions	\$ 1,300	\$ 1,430	\$ 1,440
National Banks	98,941	102,453	104,797
State Banks	13,311	13,784	14,099
State Mutual Thrift Institutions	24,527	26,970	27,160
Trust Companies	22,852	23,663	24,204
Subtotal	<u>\$ 160,931</u>	<u>\$ 168,300</u>	<u>\$ 171,700</u>

General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Estimated	1995-96 Budget
Other Selective Business Taxes			
Corporate Loans—Domestic	\$ 8,361	\$ 6,641	\$ 6,641
Corporate Loans—Foreign	2,477	1,967	1,967
Corporate Net Income Tax on Agricultural Cooperative Associations	150	119	119
Corporation Taxes — Clearing Accounts Undistributed	1,585	1,259	1,259
Department of Justice Collections	-1	-1	-1
Tax on Electric Cooperative Corporations	19	15	15
Subtotal	<u>\$ 12,591</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>
Sales and Use Tax			
Motor Vehicle	\$ 704,640	\$ 813,900	\$ 825,200
Non-Motor Vehicle	4,419,823	4,780,100	4,990,300
Subtotal	<u>\$ 5,124,463</u>	<u>\$ 5,594,000</u>	<u>\$ 5,815,500</u>
Cigarette Tax	<u>\$ 307,679</u>	<u>\$ 296,700</u>	<u>\$ 290,700</u>
Malt Beverage Tax	<u>\$ 26,258</u>	<u>\$ 26,500</u>	<u>\$ 26,000</u>
Liquor Tax	<u>\$ 119,985</u>	<u>\$ 122,500</u>	<u>\$ 123,700</u>
Personal Income Tax			
Non-Withholding	\$ 1,011,717	\$ 975,000	\$ 984,800
Withholding	3,861,028	4,046,500	4,183,300
Subtotal	<u>\$ 4,872,745</u>	<u>\$ 5,021,500</u>	<u>\$ 5,168,100</u>
Realty Transfer Tax	<u>\$ 207,706</u>	<u>\$ 178,200</u>	<u>\$ 178,500</u>
Inheritance Tax			
Nonresident Transfer Inheritance and Estate Tax	\$ 3,401	\$ 3,397	\$ 3,468
Resident Transfer Inheritance and Estate Tax	600,584	599,803	612,432
Subtotal	<u>\$ 603,985</u>	<u>\$ 603,200</u>	<u>\$ 615,900</u>
Minor and Repealed Taxes			
Distilled Spirits .....	.	.	.
Rectified Spirits .....	.	.	.
Tax on Writs, Wills and Deeds	\$ 1,289	\$ 976	\$ 976
Wines	35	27	27
Unallocated EFT Payments	-4	-3	-3
Subtotal	<u>\$ 1,320</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>
TOTAL TAX REVENUE	<u><u>\$ 14,942,841</u></u>	<u><u>\$ 15,727,500</u></u>	<u><u>\$ 16,134,500</u></u>

Less than \$500.

General Fund Revenue Detail

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Estimated		1995-96 Budget
NONTAX REVENUES				
Liquor Store Transfer	\$ 47,000	\$ 60,000		\$ 42,000
Licenses, Fees and Miscellaneous				
Executive Offices				
LICENSES AND FEES				
Attorney Continuing Legal Education		\$ 3		\$ 3
MISCELLANEOUS REVENUE				
Crime Victim's Award Restitution	\$ 81			
Miscellaneous		350		350
Subtotal	<u>\$ 81</u>	<u>\$ 353</u>		<u>\$ 353</u>
Lieutenant Governor's Office				
LICENSES AND FEES				
Board of Pardons Fees	\$ 4	\$ 3		\$ 3
Board of Pardons Filing Fees	5	6		5
Subtotal	<u>\$ 9</u>	<u>\$ 9</u>		<u>\$ 8</u>
Auditor General				
LICENSES AND FEES				
Filing Fees	\$ 6	\$ 1		
MISCELLANEOUS REVENUE				
Refunds of Expenditures Not Credited to Appropriations		15		\$ 15
Subtotal	<u>\$ 6</u>	<u>\$ 16</u>		<u>\$ 15</u>
Attorney General				
MISCELLANEOUS REVENUE				
Assessed Civil Penalties Payments	\$ 85	\$ 119		\$ 119
Miscellaneous	49	1		1
Refunds of Expenditures Not Credited to Appropriations	61	2		2
Subtotal	<u>\$ 195</u>	<u>\$ 122</u>		<u>\$ 122</u>
Treasury Department				
MISCELLANEOUS REVENUE				
Accrued Interest Purchased	\$ 1			
Allocation of Treasury Cost	1,944	\$ 2,250		\$ 2,250
Clearing Account — Returned PA EFTS	76			
Depository Adjustments	6			
Interest Cleared to Hodge Trust Fund	-5			
Interest on Average Collected Balance — WIC Program	28			
Interest on Deposits	203	336		336
Interest on Deposits — Liquor License Fund	74	79		79
Interest on Securities	37,866	56,833		56,833
Premium and Discount on Tax Notes Sold	1,471			
Redeposit of Checks	1,277	500		500
Refunds of Expenditure Not Credited to Appropriation	3			
Miscellaneous	11	2		2
Unclaimed Property — Administration Cost Reimbursements	-3,674	-4,000		-4,000
Unclaimed Property — Claim Payments	-12,877	-13,000		-13,000
Unclaimed Property — Financial Institution Deposits	13,986	16,000		16,000
Unclaimed Property — Other Holder Deposits	30,450	33,000		33,000
Subtotal	<u>\$ 70,840</u>	<u>\$ 92,000</u>		<u>\$ 92,000</u>

* Less than \$500.

General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Estimated	1995-96 Budget
Department of Agriculture			
LICENSES AND FEES			
Abattoir Licenses		\$ 7	\$ 7
Approved Inspector's Certificate and Registration Fees	\$ 6	5	5
Bakery Licenses	294	290	
Carbonated Beverage Licenses	16	17	
Cold Storage Warehouse Licenses	3	4	
Domestic Animal Dealers Licenses	5	6	5
Egg Certification Fees	22	20	21
Egg Opening Licenses	1	1	
Farm Product Inspection Fees	27	24	32
Food Employee's Certification			96
Ice Cream Licenses	153	168	160
Miscellaneous Licenses and Fees	14	15	60
Poultry Technician Licenses	1	1	1
Public Weighmaster's Liquid Fuels Licenses	69	74	72
Public Weighmaster's Solid Fuels Licenses	22	24	23
Registration Fee — Food Establishment			680
Restaurant Licenses	1,075	1,074	1,074
Rendering Plant Licenses	1	1	1
Seed Testing and Certification Fees	59	64	64
Veterinarian Diagnostic Lab Fees	274	270	300
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations	*	600	600
Subtotal	<u>\$ 2,042</u>	<u>\$ 2,665</u>	<u>\$ 3,201</u>
Civil Service Commission			
MISCELLANEOUS REVENUE			
Miscellaneous	*		
Department of Commerce			
MISCELLANEOUS REVENUE			
Nursing Home Loans — Repayments	\$ 6,460	\$ 6,687	
Miscellaneous	28		
Subtotal	<u>\$ 6,488</u>	<u>\$ 6,687</u>	
Department of Community Affairs			
LICENSES AND FEES			
Municipal Indebtedness Fees	\$ 191	\$ 191	\$ 191
MISCELLANEOUS REVENUE			
Miscellaneous	632	633	633
Refunds of Expenditures Not Credited to Appropriations	2,348	2,348	2,348
Subtotal	<u>\$ 3,171</u>	<u>\$ 3,172</u>	<u>\$ 3,172</u>
Department of Conservation & Natural Resources			
MISCELLANEOUS REVENUE			
Camp Leases	\$ 420	\$ 420	\$ 420
Ground Rents	38	38	38
Housing Rents	24	24	24
Minerals Sales	260	260	260
Stumpage	4	4	4
Subtotal	<u>\$ 746</u>	<u>\$ 746</u>	<u>\$ 746</u>

* Less than \$500.

General Fund Revenue Detail

(Dollar Amounts in Thousands)

	1993-94 Actual	1994-95 Estimated	1995-96 Budget
Department of Corrections			
MISCELLANEOUS REVENUE			
Miscellaneous	\$ 220	.....	.....
Refunds of Expenditures Not Credited to Appropriations	255	\$ 40	\$ 40
Subtotal	<u>\$ 475</u>	<u>\$ 40</u>	<u>\$ 40</u>
Crime Commission			
Miscellaneous Revenue .....	*	.....	.....
Subtotal	<u>*</u>	<u>.....</u>	<u>.....</u>
Department of Education			
LICENSES AND FEES			
Fees For Licensing Private Schools	\$ 189	\$ 175	\$ 173
PDE — Fees Transcripts/Closed Private Schools .....	*	.....	.....
Private Academic School License Fees	13	15	16
Private Driver Training School Fees	71	69	71
Secondary Education Evaluation Fees	57	45	46
Teachers Certification Fees	441	450	500
MISCELLANEOUS REVENUE			
Miscellaneous	*	3	3
Refunds of Expenditures Not Credited to Appropriations	2	3	3
Subtotal	<u>\$ 773</u>	<u>\$ 760</u>	<u>\$ 812</u>
Emergency Management Agency			
MISCELLANEOUS REVENUE			
Refunds of Expenditures not Credit to Appropriations .....	.....	\$ 1	\$ 1
Subtotal	<u>.....</u>	<u>\$ 1</u>	<u>\$ 1</u>
Department of Environmental Protection			
LICENSES AND FEES			
Anthracite Miners' Examination and Certificate Fees	\$ 1	\$ 1	\$ 1
Bathing Place Licenses	1	1	1
Bituminous Miners' Examination and Certificate Fees	7	7	7
Bituminous Shot Firers' and Machine Runners' Examination and Certificates	*	*	*
Blasters' Examination and Licensing Fees	37	37	37
Dams and Encroachment Fees	123	124	124
Examination and Certificate Fees	10	10	10
Explosive Storage Permit Fees	84	84	84
Hazardous Waste Facility Permit Fees	96	96	96
Hazardous Waste Facility Permit/Application Fees	8	8	8
Hazardous Waste Transporter Licenses Application Fees	70	70	70
Hazardous Waste Treatment Storage or Disposal Fees	268	268	268
Infectious and Chemical Waste Transport Fees	35	35	35
Municipal Waste Annual Permit Administration Fees	370	369	369
Municipal Waste Permit Application Fees	350	350	350
Registration Fees for Organized Camps	*	*	*
Residual Waste Closure Administration Fees .....	*	.....	.....
Residual Waste Permit Administration Fees	107	107	107
Residual Waste Permit App/Modif Fees	31	31	31
Sewage and Industrial Waste Permit Fees	377	376	376
Sewage Enforcement-Certificate Renewed Fees	5	5	5
Sewage Enforcement Examination Fees	6	7	7
Submerged Land Fees	61	61	61
Water Bacteriological Examinations	29	29	29
Water Power and Supply Permit Fees	86	86	86

* Less Than \$500.

General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Estimated	1995-96 Budget
Department of Environmental Protection (continued)			
MISCELLANEOUS REVENUE			
Interest on Loan Payments	\$ 2,950	\$ 3,500	\$ 3,500
Interest Payments — Mine Subsidence	7	7	7
Payment to Occupy Submerged Lands	113	113	113
Penalty Charges — Delinquent Interest	13	.....	.....
Recovered Damages	1	1	1
Repayment of Loans — Water Facilities Loans	11,128	6,500	6,500
Rights-of-Way	362	362	362
Royalties for Recovery of Materials-Schuylkill River	94	94	94
Sales Tax Escrow Account	5	5	5
Sewage Treatment and Waterworks Application Fee	68	68	68
Surface Subsidence Assistance Loans — Repayments	38	38	38
Water Leases	24	24	24
Miscellaneous	54	54	54
Refunds of Expenditures Not Credited to Appropriations	19	19	19
Residual Waste Permit App/Modif Fees	44	.....	.....
Subtotal	<u>\$ 17,082</u>	<u>\$ 12,947</u>	<u>\$ 12,947</u>
Department of General Services			
MISCELLANEOUS REVENUE			
Allocation of Purchasing Fund Property Costs	\$ 2,830	\$ 6,682	\$ 5,430
Allocation of Purchasing Costs — Job 19	1,252	.....	1,252
Mileage of State Automobiles	549	549	549
Real Estate Services	224	224	224
Rental of State Property	35	35	35
Sale of Publications	62	62	62
Sale of State Property	255	255	255
Sale of Unserviceable Property	453	453	453
Miscellaneous	445	445	445
Subtotal	<u>\$ 6,105</u>	<u>\$ 8,705</u>	<u>\$ 8,705</u>
Department of Health			
LICENSES AND FEES			
Certificate of Need	\$ 956	\$ 956	\$ 956
Immunization Service Fees	137	137	137
Life Safety Code Inspection Fees	261	261	261
Miscellaneous Licensure Fees	100	100	100
Nursing Home Licenses	379	379	379
Profit Making Hospital Licenses	135	135	135
Registration Fees — Hearing Aid Act	62	62	62
Registration Fees-Drugs Devices and Cosmetics Act	289	289	289
Vital Statistics Fees	2,819	2,819	2,819
MISCELLANEOUS REVENUE			
Miscellaneous	64	64	64
Subtotal	<u>\$ 5,202</u>	<u>\$ 5,202</u>	<u>\$ 5,202</u>
Historical and Museum Commission			
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations	\$ 7	\$ 2	\$ 2
Miscellaneous	1	.....	.....
Subtotal	<u>\$ 8</u>	<u>\$ 2</u>	<u>\$ 2</u>

* Less than \$500

General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1993-94	1994-95	1995-96
	Actual	Estimated	Budget
Insurance Department			
LICENSES AND FEES			
Agents' and Brokers' Certification Fees	\$ 321	\$ 351	\$ 351
Agents' Licenses	10,180	10,754	7,800
Brokers' Licenses	648	738	150
Division of Companies Certification — Certificates and Filing Fees	578	580	580
Examination Fees and Expenses	1,968	2,000	2,000
Market Conduct Examination	129	120	120
Miscellaneous Fees	6	6	6
Miscellaneous Licenses	52	30	30
Physical Damage Appraiser Licenses	98	65	65
Valuation of Policies Fees	1,921	1,700	1,700
MISCELLANEOUS REVENUE			
Miscellaneous	327	232	232
Subtotal	<u>\$ 16,228</u>	<u>\$ 16,576</u>	<u>\$ 13,034</u>
Labor and Industry			
LICENSES AND FEES			
Approval of Building Plan Fees	\$ 3,663	\$ 3,690	\$ 3,690
Approval of Elevator Plan Fees	309	285	285
Bedding and Upholstery Fees	567	530	530
Boiler Inspection Fees	3,007	2,500	2,500
Elevator Inspection Fees	1,880	1,800	1,800
Employment Agents' Licenses	40	43	43
Employment Agents' Registration Fees	8	6	6
Industrial Homework Permit Fees .....	.	.	.
Liquified Petroleum Gas Registration Fees	234	214	214
Projectionists' Examination and License Fees	4	5	5
Stuffed Toys Manufacturers' Registration Fees	41	38	38
MISCELLANEOUS REVENUE			
CETA Audit Settlement	10	.	.
Miscellaneous	8	3	3
Refunds of Expenditures Not Credited to Appropriations	20	.	.
Subtotal	<u>\$ 9,791</u>	<u>\$ 9,114</u>	<u>\$ 9,114</u>
Department of Military Affairs			
MISCELLANEOUS REVENUE			
Miscellaneous	\$ 34	\$ 17	\$ 17
Refunds of Expenditures Not Credited to Appropriations	2	19	19
Subtotal	<u>\$ 36</u>	<u>\$ 36</u>	<u>\$ 36</u>
Board of Probation and Parole			
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations	\$ 3	\$ 15	\$ 15
Subtotal	<u>\$ 3</u>	<u>\$ 15</u>	<u>\$ 15</u>
Public Television Network			
MISCELLANEOUS REVENUE			
Miscellaneous	\$ 1	\$ 20	\$ 25
Subtotal	<u>\$ 1</u>	<u>\$ 20</u>	<u>\$ 25</u>

* Less than \$500.

General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Estimated	1995-96 Budget
Public Utility Commission			
LICENSES AND FEES			
General Assessment Fees .....	.....	.....	.....
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations .....	.....	.....	.....
Subtotal .....	.....	.....	.....
Department of Public Welfare			
LICENSES AND FEES			
Private Mental Hospital Licenses	\$ 40	\$ 45	\$ 45
MISCELLANEOUS REVENUE			
Miscellaneous	3	5	5
Refunds of Expenditures Not Credited to Appropriations	5	5,050	952
Subtotal	\$ 48	\$ 5,100	\$ 1,002
Department of Revenue			
LICENSES AND FEES			
Certificate and Copy Fees	\$ 36	\$ 32	\$ 32
Cigarette Permit Fees	769	850	852
Domestic Violence and Rape Crisis Program Fees	1,715	1,900	1,910
Secretary's Writ Collections .....	.	.	.
Uniform Commercial Fee Act 167-92	7,425	9,387	9,410
MISCELLANEOUS REVENUE			
Distribution Due Absentee	-26	400	400
District Justice Cost	7,631	7,700	7,700
Exempt Collections Per Act 1992-167	8,159	12,375	12,371
Income Tax Check-offs — Olympics	76	50	50
Miscellaneous	2	30	30
Subtotal	\$ 25,787	\$ 32,724	\$ 32,755
Securities Commission			
LICENSES AND FEES			
Associated Persons — Initial	\$ 40	\$ 45	\$ 50
Associated Persons — Renewal	133	165	171
Associated Persons — Transfer	4	5	6
Brokers/Dealers' Registration Fees — Initial	75	80	84
Brokers/Dealers' Registration Fees — Renewal	468	488	508
Costs — Examination, Auditing, Investigation, Prosecution — Except Takeover Costs	19	35	30
Investment Advisors' Filing Fees — Initial	28	40	45
Investment Advisors' Filing Fees — Renewal	138	151	166
Mutual Funds and Investment Company Section 2031-205-206	4,920	4,945	4,945
Section 202(G) Security Exemption Fees	4	4	4
Section 203(D) Increase in Amount of Filing	1	1	1
Section 203(D) Initial Filing	369	360	360
Section 203(I) and 203(O)(II) Security Exemption Fees	13	12	12

* Less than \$500.

General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Estimated	1995-96 Budget
Securities Commission (continued)			
LICENSES AND FEES (continued)			
Section 203(N) Initial Filing	\$ 5	\$ 5	\$ 5
Section 203(P) Initial Filing	1	1	1
Section 205 — Security Registration and Amendment Fees ..	246	240	240
Section 206 — Increase in Amount of Filing	2	2	1
Section 206 — Qualification Filing — Initial	89	85	80
Securities Agents' Filing Fees — Initial	1,555	1,654	1,726
Security Agents' Filing Fees — Mass Transfer	288	25	25
Securities Agents' Filing Fees — Renewal	3,841	4,100	4,304
Securities Agents' Filing Fees — Transfer	156	120	120
Takeover Disclosure Filing Fee	5		
MISCELLANEOUS REVENUE			
Miscellaneous	4	1	1
Subtotal	<u>\$ 12,404</u>	<u>\$ 12,564</u>	<u>\$ 12,865</u>
Department of State			
LICENSES AND FEES			
Commissions and Filing Fees — Bureau of Elections	\$ 312	\$ 180	\$ 180
Commissions and Filing Fees — Corporation Bureau	6,035	6,125	6,125
Commission Fees	66	20	20
Notary Public Commission Fees	913	780	780
Recorder of Deeds Fees		40	40
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations	1	2	2
Subtotal	<u>\$ 7,327</u>	<u>\$ 7,147</u>	<u>\$ 7,147</u>
State Police			
MISCELLANEOUS REVENUE			
Reimbursement for Lost Property	\$ 4	\$ 4	\$ 4
Miscellaneous	255	260	260
Refunds of Expenditures Not Credited to Appropriations	98	100	100
Subtotal	<u>\$ 357</u>	<u>\$ 364</u>	<u>\$ 364</u>
State Tax Equalization Board			
Miscellaneous Revenue	*		
Subtotal	<u>*</u>		
Department of Transportation			
MISCELLANEOUS REVENUE			
Interest — Railroad Rehabilitation	\$ -35	\$ 4	\$ 2
Refunds of Expenditures Not Credited to Appropriations	24		
VW Rail Spur Lease Recovery	*		
Subtotal	<u>\$ -11</u>	<u>\$ 4</u>	<u>\$ 2</u>
Commonwealth Court			
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations	*		

* Less than \$500.

General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Estimated	1995-96 Budget
Other			
MISCELLANEOUS REVENUE			
Conscience Money	\$ 4	.....	.....
Payments in Lieu of Taxes — SWIF	9,787	\$ 17,500	\$ 17,500
Transfer from State Insurance Fund	113	.....	.....
Transfer from State Racing Fund	958	4,609	5,484
Transfer from PA Economic Revitalization Fund .....	.....	.....	5,411
Subtotal	\$ 10,862	\$ 22,109	\$ 28,395
TOTAL LICENSES, FEES AND MISCELLANEOUS	\$ 196,056	\$ 239,200	\$ 232,100
Fines, Penalties and Interest on Taxes			
Corporation Net Income Tax	\$ 10,860	\$ 15,792	\$ 10,898
Interest on Excise Taxes — Corporations (Department of Revenue)	10,373	16,546	10,440
Penalties on Excise Taxes — Corporations	1,264	1,362	1,362
Realty Transfer Tax	3	.....	.....
Other Fines and Penalties			
Department of Agriculture			
Amusement Rides and Attractions — Fines	3	2	2
Egg Fines	*	1	.....
General Food Fines	15	25	25
Harness Racing Fines and Penalties	37	34	40
Horse Racing Fines and Penalties	48	36	48
Marking Law Fines .....	.....	1	.....
Miscellaneous	2	.....	.....
Department of Education			
PDE School Licensing	1	.....	.....
Department of Environmental Protection			
Blasters' Fines .....	.....	.....	.....
Miscellaneous Fines	8	8	8
Ethics Commission			
Violations Act 170-1978	2	15	15
Department of General Services			
Traffic Violations	31	31	31
Department of Health			
Non-Compliance Fines and Penalties	38	38	38
Department of Insurance			
Miscellaneous Fines	1,946	800	500
Department of Labor and Industry			
Minor Labor Law Fines	4	15	15
Miscellaneous Fines	24	26	26
Public Utility Commission			
Violation of Order Fines	163	365	249
Department of Revenue			
Malt Liquor Fines and Penalties	23	1	1
Motor Law Fines Prior to July 1, 1976 .....	.....	1	1
Spiritous and Vinous Liquor Fines and Penalties .....	.....	1	1
TOTAL FINES, PENALTIES AND INTEREST	\$ 24,845	\$ 35,100	\$ 23,700
TOTAL NONTAX REVENUE	\$ 267,901	\$ 334,300	\$ 297,800
TOTAL GENERAL FUND REVENUES	\$ 15,210,742	\$ 16,061,800	\$ 16,432,300

* Less Than \$500

General Fund Revenue Summary

Revenue History

	(Dollar Amounts in Thousands)					
	1988-89 Actual	1989-90 Actual	1990-91 Actual	1991-92 Actual	1992-93 Actual	1993-94 Actual
TAX REVENUE						
Corporation Taxes						
Corporate Net Income	\$ 1,158,777	\$ 1,081,437	\$ 1,000,583	\$ 1,613,290	\$ 1,456,128	\$ 1,554,112
Capital Stock and Franchise	530,419	571,797	585,007	886,021	875,105	881,128
Selective Business:						
Gross Receipts Tax	541,116	556,447	588,374	660,117	637,999	646,413
Public Utility Realty	138,409	163,447	149,788	202,941	156,269	156,616
Insurance Premiums	187,073	197,648	203,995	243,410	235,855	266,909
Financial Institutions	133,740	286,855	120,242	147,044	141,067	160,931
Other	9,155	8,977	8,290	8,342	21,734	12,591
Total—Corporation Taxes	\$ 2,698,689	\$ 2,866,608	\$ 2,656,279	\$ 3,761,165	\$ 3,524,157	\$ 3,678,700
Consumption Taxes						
Sales and Use	\$ 4,085,875	\$ 4,224,983	\$ 4,197,700	\$ 4,499,734	\$ 4,828,823	\$ 5,124,463
Cigarette	223,903	216,852	213,418	336,245	330,065	307,679
Malt Beverage	27,704	27,541	27,545	26,983	25,812	26,258
Liquor	109,617	112,411	115,328	117,645	122,746	119,985
Total—Consumption Taxes	\$ 4,447,099	\$ 4,581,787	\$ 4,553,991	\$ 4,980,607	\$ 5,307,446	\$ 5,578,385
Other Taxes						
Personal Income Tax	\$ 3,146,956	\$ 3,294,309	\$ 3,363,587	\$ 4,807,421	\$ 4,789,995	\$ 4,872,745
Realty Transfer	217,184	200,799	164,510	171,804	181,749	207,706
Inheritance	446,708	474,694	497,565	537,732	562,880	603,985
Minor and Repealed	963	964	942	1,093	1,833	1,320
Total—Other Taxes	\$ 3,811,811	\$ 3,970,766	\$ 4,026,604	\$ 5,518,050	\$ 5,536,457	\$ 5,685,756
TOTAL TAX REVENUE	\$ 10,957,599	\$ 11,419,161	\$ 11,236,874	\$ 14,259,822	\$ 14,368,060	\$ 14,942,841
NONTAX REVENUE						
Liquor Store Profits	\$ 16,000	\$ 41,250	\$ 38,000	\$ 41,000	\$ 33,000	\$ 47,000
Licenses, Fees and Miscellaneous:						
Licenses and Fees	39,429	44,402	46,140	56,200	55,470	65,684
Miscellaneous	224,420	304,008	519,629	139,104	153,495	130,372
Fines, Penalties and Interest:						
On Taxes	18,372	24,624	20,430	19,406	21,624	22,500
Other	831	924	1,199	1,265	1,469	2,345
TOTAL NONTAX REVENUES	\$ 299,052	\$ 415,208	\$ 625,398	\$ 256,975	\$ 265,058	\$ 267,901
GENERAL FUND TOTAL	\$ 11,256,651	\$ 11,834,369	\$ 11,862,272	\$ 14,516,797	\$ 14,633,118	\$ 15,210,742



Commonwealth of Pennsylvania

Motor License Fund

The Motor License Fund is a special fund composed of monies received from the Liquid Fuels and Fuel Use Taxes, licenses and fees of motor vehicles, aviation revenues, Federal aid for highway and aviation purposes, contributions from local subdivisions for highway projects and other miscellaneous highway revenues.

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

Motor License Fund

Financial Statement*

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Estimated
Beginning Balance	\$ 82,162	\$ 107,471	\$ 86,457
Adjustment to Beginning Balance ..	487	.....	.....
Total Beginning Balance	<u>\$ 82,649</u>	<u>\$ 107,471</u>	<u>\$ 86,457</u>
Revenue:			
Revenue Estimate	\$ 1,502,733	\$ 1,491,100	\$ 1,529,043
Adjustment to Official Estimate .....	.....	28,745	.....
Accrued Revenues Unrealized	106,470	107,676	108,884
Less Revenues Accrued Previously ..	<u>-115,967</u>	<u>-106,470</u>	<u>-107,676</u>
Total Revenue	<u>\$ 1,493,236</u>	<u>\$ 1,521,051</u>	<u>\$ 1,530,251</u>
Prior Year Lapses	22,729	27,500	.....
Funds Available	<u>\$ 1,598,614</u>	<u>\$ 1,656,022</u>	<u>\$ 1,616,708</u>
Expenditures:			
Appropriations	\$ 1,491,143	\$ 1,577,265	\$ 1,603,144
Less Current Year Lapses .....	.....	-7,700	.....
Estimated Expenditures	<u>-1,491,143</u>	<u>-1,569,565</u>	<u>-1,603,144</u>
Ending Balance	<u><u>\$ 107,471</u></u>	<u><u>\$ 86,457</u></u>	<u><u>\$ 13,564</u></u>

*Excludes restricted revenue

Motor License Fund

Summary by Department

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Budget
Executive Offices			
General Government			
Office of the Budget—Comptroller Operations	\$ 4,847	\$ 3,995	\$ 4,148
TOTAL STATE FUNDS	<u>\$ 4,847</u>	<u>\$ 3,995</u>	<u>\$ 4,148</u>
Augmentations	\$ 588	\$ 842	\$ 966
DEPARTMENT TOTAL	<u>\$ 5,435</u>	<u>\$ 4,837</u>	<u>\$ 5,114</u>
Treasury Department			
General Government			
Replacement Checks	\$ 240	\$ 240	\$ 240
Refunding Liquid Fuel Tax — Agricultural Use	2,114	3,400	3,200
Administration of Refunding Liquid Fuel Tax	343	360	346
Refunding Liquid Fuel Tax	250	400	400
Refunding Emergency Liquid Fuel Tax .....	.....	1	1
Refunding Liquid Fuel Tax — Political Subdivision Use	1,344	2,100	2,100
Refunding Liquid Fuel Tax — Volunteer Fire Companies, Ambulance Services and Rescue Squads	67	150	150
Refunding Marine Liquid Fuel Tax — Boat Fund	1,915	2,000	2,200
Subtotal	<u>\$ 6,273</u>	<u>\$ 8,651</u>	<u>\$ 8,637</u>
Debt Service Requirements			
Capital Debt — Transportation Projects	\$ 178,979	\$ 179,099	\$ 150,109
General Obligation Debt Service	1,697	1,674	1,399
Advance Construction Interstate—Interest Payments	4,478	1,776	.....
Loan and Transfer Agent	100	135	135
Subtotal	<u>\$ 185,254</u>	<u>\$ 182,684</u>	<u>\$ 151,643</u>
TOTAL STATE FUNDS	<u>\$ 191,527</u>	<u>\$ 191,335</u>	<u>\$ 160,280</u>
Restricted Revenue	\$ 67,963	\$ 80,380	\$ 31,308
DEPARTMENT TOTAL	<u>\$ 259,490</u>	<u>\$ 271,715</u>	<u>\$ 191,588</u>
Department of Education			
Grants and Subsidies			
Safe Driving Course	\$ 1,476	\$ 1,672	\$ 1,498
DEPARTMENT TOTAL	<u>\$ 1,476</u>	<u>\$ 1,672</u>	<u>\$ 1,498</u>

Motor License Fund

Summary by Department (continued)

		(Dollar Amounts in Thousands)	
	1993-94 Actual	1994-95 Available	1995-96 Budget
Department of Conservation and Natural Resources			
Restricted Revenue	\$ 1,221	\$ 7,224	\$ 4,587
DEPARTMENT TOTAL	<u>\$ 1,221</u>	<u>\$ 7,224</u>	<u>\$ 4,587</u>
Department of General Services			
Grants and Subsidies			
Tort Claims Payments	\$ 25,000	\$ 27,000	\$ 27,000
Harristown Rental Charges .....	.....	82	95
Harristown Utility and Municipal Charges .....	.....	130	140
DEPARTMENT TOTAL	<u>\$ 25,000</u>	<u>\$ 27,212</u>	<u>\$ 27,235</u>
Department of Revenue			
General Government			
Collection — Liquid Fuels Tax	\$ 7,902	\$ 8,959	\$ 9,042
Refunding Liquid Fuels Taxes	8,300	8,300	12,500
TOTAL STATE FUNDS	<u>\$ 16,202</u>	<u>\$ 17,259</u>	<u>\$ 21,542</u>
Augmentations	\$ 79	\$ 127	\$ 127
DEPARTMENT TOTAL	<u>\$ 16,281</u>	<u>\$ 17,386</u>	<u>\$ 21,669</u>
Pennsylvania State Police			
General Government			
General Government Operations	\$ 208,402	\$ 221,745	\$ 238,671
Municipal Police Training	2,924	4,403	4,014
Patrol Vehicles	4,216	4,100	4,765
DEPARTMENT TOTAL	<u>\$ 215,542</u>	<u>\$ 230,248</u>	<u>\$ 247,450</u>
Department of Transportation			
General Government			
General Government Operations	\$ 26,811	\$ 27,264	\$ 27,857
Refunding Collected Monies	2,311	2,500	2,500
Relocation of Transportation and Safety Operations .....	.....	.....	14,814
Highway and Safety Improvement	135,000	171,400	145,000
Metric Conversion	582	5,000	7,600
Highway Maintenance	538,947	564,192	621,949
Highway Maintenance—Supplemental	37,575	24,678	5,007
Reinvestment — Facilities	2,999	6,000	6,000
Local Bridge Inspection	625	425	775
Secondary Roads — Maintenance and Resurfacing	55,452	56,305	57,044
Safety Administration and Licensing	71,562	78,448	79,939
Subtotal	<u>\$ 871,864</u>	<u>\$ 936,212</u>	<u>\$ 968,485</u>

Motor License Fund

Summary by Department (Continued)

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Budget
Department of Transportation (continued)			
Grants and Subsidies			
Local Road Maintenance and Construction Payments	\$ 159,685	\$ 164,332	\$ 167,506
Supplemental Local Road Maintenance and Construction Payments	5,000	5,000	5,000
Subtotal	<u>\$ 164,685</u>	<u>\$ 169,332</u>	<u>\$ 172,506</u>
TOTAL STATE FUNDS	<u>\$ 1,036,549</u>	<u>\$ 1,105,544</u>	<u>\$ 1,140,991</u>
Federal Funds	\$ 735,034	\$ 875,789	\$ 919,649
Augmentations	24,213	34,728	129,128
Restricted Revenue	299,614	398,312	439,962
DEPARTMENT TOTAL	<u>\$ 2,095,410</u>	<u>\$ 2,414,373</u>	<u>\$ 2,629,730</u>
Fund Summary			
State Funds — Transportation	\$ 1,036,549	\$ 1,105,544	\$ 1,140,991
State Funds — Other Departments	454,594	471,721	462,153
TOTAL STATE FUNDS	<u>\$ 1,491,143</u>	<u>\$ 1,577,265</u>	<u>\$ 1,603,144</u>
Motor License Fund Total — All Funds			
State Funds	\$ 1,491,143	\$ 1,577,265	\$ 1,603,144
Federal Funds	735,034	875,789	919,649
Augmentations	24,880	35,697	130,221
Restricted Revenue	368,798	485,916	475,857
FUND TOTAL	<u>\$ 2,619,855</u>	<u>\$ 2,974,667</u>	<u>\$ 3,128,871</u>

Motor License Fund

REVENUE SUMMARY

Five Year Revenue Projections

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Estimated	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
Liquid Fuels Taxes	\$ 954,002	\$ 960,445	\$ 961,943	\$ 967,018	\$ 972,773	\$ 978,773	\$ 984,673
Motor Licenses and Fees	476,426	490,800	495,700	495,400	495,700	500,300	502,000
Other Motor License Fund Revenues	72,305	68,600	71,400	72,000	76,200	76,900	77,600
TOTAL MOTOR LICENSE FUND REVENUES	<u>\$ 1,502,733</u>	<u>\$ 1,519,845</u>	<u>\$ 1,529,043</u>	<u>\$ 1,534,418</u>	<u>\$ 1,544,673</u>	<u>\$ 1,555,973</u>	<u>\$ 1,564,273</u>
Aviation Restricted Revenues	\$ 19,696	\$ 19,575	\$ 18,640	\$ 18,840	\$ 19,030	\$ 19,180	\$ 19,380
Highway Bridge Improvement Restricted Revenues	\$ 69,781	\$ 73,795	\$ 73,600	\$ 71,600	\$ 72,285	\$ 72,970	\$ 73,455
State Highway Transfer Restricted Revenues	\$ 15,438	\$ 15,444	\$ 15,537	\$ 15,629	\$ 15,722	\$ 15,816	\$ 15,911
Oil Company Franchise Tax Restricted Account Revenues	\$ 280,361	\$ 283,149	\$ 284,842	\$ 286,536	\$ 288,229	\$ 289,966	\$ 291,703

Adjustments to 1994-95 Revenue Estimate

On June 16, 1994, an official estimate for 1994-95 of \$1,491,100,000 was certified. The revised estimate detailed below reflects actual revenue collections through the first six months of the fiscal year and expected collections for the balance of the fiscal year.

	(Dollar Amounts in Thousands)		
	1994-95 Official Estimate	Adjustments	1994-95 Revised Estimate
Liquid Fuels Taxes	\$ 949,900	\$ 10,545	\$ 960,445
Motor Licenses and Fees	481,300	9,500	490,800
Other Motor License Fund Revenues	59,900	8,700	68,600
TOTAL	<u>\$ 1,491,100</u>	<u>\$ 28,745</u>	<u>\$ 1,519,845</u>

Motor License Fund

Revenue Sources

Liquid Fuels Taxes			
Actual	(Dollar Amounts in Thousands)		Estimated
1988-89	\$ 923,416	1994-95	\$ 960,445
1989-90	928,189	1995-96	961,943
1990-91	926,026	1996-97	967,018
1991-92	925,019	1997-98	972,773
1992-93	985,955	1998-99	978,773
1993-94	954,002	1999-00	984,673

Tax Base and Rates:

Liquid Fuels. The Liquid Fuels Tax is based on the number of gallons of liquid fuel (primarily gasoline) used, sold or delivered within the Commonwealth by distributors. After discounts, all monies collected are placed in the Motor License Fund, except that an amount equal to one-half cent per gallon is placed in the Liquid Fuels Tax Fund. The present tax rate is twelve cents per gallon, having been increased from the previous eleven cents per gallon rate on August 8, 1983.

Fuel Use. The Fuel Use Tax is based on the number of gallons of fuel used in the Commonwealth by dealers. It applies to diesel fuel and any fuel not taxed under the Liquid Fuels Tax Act. All monies collected, less allowed discounts, are paid into the Motor License Fund and the Liquid Fuels Tax Fund in the same proportion as the Liquid Fuels Tax monies. The current tax rate of twelve cents per gallon became effective on August 8, 1983, increasing one cent from the previous rate.

Motor Carriers Road Tax — Motorbus Road Tax. The Motor Carriers Road Tax is levied on motor carriers operating vehicles with a gross weight or registered gross weight in excess of 17,000 pounds. The tax is comprised of: a twelve cent per gallon tax; an oil company franchise tax element based upon 115 mills of the average wholesale price; and a six cent per gallon surtax levied by Act 56 of 1987. The surtax, effective July 1, 1987, is periodically transferred to the restricted Highway Bridge Improvement Account within the Motor License Fund. Credit is given for liquid fuels, fuel use and oil company franchise taxes paid at the pump or directly remitted.

The Motorbus Road Tax is imposed on the amount of motor fuel used by bus companies in their operations on highways within this Commonwealth. The tax contains the liquid fuels tax rate of twelve cents per gallon and an oil company franchise tax element based upon 115 mills of the average wholesale price of motor fuels.

In addition, identification markers are required to be issued annually upon a payment of \$5 per vehicle for each vehicle subject to these taxes.

Interstate Bus Compact Fuels Tax. The Compact on Taxation of Motor Fuels Consumed by Interstate Buses imposes a tax on fuel consumed by interstate buses under compacts entered into with other states to avoid multiple taxation of fuels. Taxes in each state are computed on the basis of the number of gallons of fuel used within the state. The present Pennsylvania tax rate is twelve cents per gallon. Prior to August 8, 1983, the tax rate was eleven cents per gallon. Effective January 1, 1993, this tax was repealed and replaced by the Motorbus Road Tax.

Oil Company Franchise Tax. This tax is an excise tax on oil companies for the privilege of exercising their corporate franchise, doing business, employing capital, owning or leasing property, maintaining an office or having employees in the Commonwealth. The current tax rate of 115 mills of the average wholesale price of motor fuels used for motor vehicles in the Commonwealth became effective September 1, 1991. Previously, the tax rate was 60 mills of the wholesale price. Three mills of the current tax rate is dedicated to funding for the local highway turnback program, and fifty-five mills of the current tax rate is distributed to various restricted accounts. These dedicated and restricted taxes are not included in the above estimates.

Motor License Fund

Revenue Sources (continued)

Exclusions, Deductions and Reimbursements:

Liquid Fuels, Fuel Use and Oil Company Franchise Taxes: Fuels used, sold or delivered to the U.S. Government, the Commonwealth and any of its political subdivisions, public authorities, nonprofit schools, volunteer fire companies, ambulance services, rescue squads, fuels sold and delivered under the Commerce Clause of the Constitution of the United States, liquid fuel delivered in-state by one distributor to another when receiver is taxable or when tax has already been paid (applicable to liquid fuels tax only), fuel (not over 50 gallons) brought into the Commonwealth in vehicles' fuel supply tanks (applicable to fuel use tax only) and fuels used for certain agricultural purposes are not taxable.

Motor Carrier Road Tax — Motorbus Road Tax. Credit is given for tax paid on motor fuels purchased in Pennsylvania but consumed elsewhere.

Motor Licenses and Fees

Actual	(Dollar Amounts in Thousands)	Estimated	
1988-89	\$ 455,782	1994-95	\$ 490,800
1989-90	455,961	1995-96	495,700
1990-91	459,321	1996-97	495,400
1991-92	467,094	1997-98	495,700
1992-93	471,953	1998-99	500,300
1993-94	476,426	1999-00	502,000

The Commonwealth receives revenue from the collection of fees levied for the registration and titling of motor vehicles and for the issuance of learners' permits, operators' licenses, certificates of title and transfers of registration.

Other Motor License Fund Revenues

Actual	(Dollar Amounts in Thousands)	Estimated	
1988-89	\$ 78,656	1994-95	\$ 68,600
1989-90	99,551	1995-96	71,400
1990-91	87,793	1996-97	72,000
1991-92	74,580	1997-98	76,200
1992-93	66,670	1998-99	76,900
1993-94	72,305	1999-00	77,600

Other Motor License Fund revenues include the following sources:

Fines — Aeronautics fines collected under the Fuel Use Tax Act and certain vehicle code fines.

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

Gross Receipts Tax — An excise tax imposed upon the gross receipts of owners and operators of motor vehicles transporting passengers or property for hire on public highways. The current tax rate is eight mills. Only the tax received from companies operating over routes which are not entirely within the Commonwealth is deposited in the Motor License Fund.

This category also includes anticipated Federal reimbursement of advance construction interstate (ACI) payments financed initially with State funds, and advance construction interstate interest reimbursements and interest earnings.

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

Motor License Fund

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)		
	1993-94 Actual	1994-95 Estimated	1995-96 Budget
LIQUID FUELS TAXES			
Liquid Fuels Tax			
Liquid Fuels Tax	\$ 525,834	\$ 526,681	\$ 529,279
Liquid Fuels Tax Interest	266	266	268
Liquid Fuels Tax Penalties	53	53	53
Subtotal	\$ 526,153	\$ 527,000	\$ 529,600
Fuel Use Tax			
Fuel Use Tax	\$ 120,694	\$ 124,304	\$ 125,596
Fuel Use Tax Interest	554	571	577
Fuel Use Tax Penalties	219	225	227
Subtotal	\$ 121,467	\$ 125,100	\$ 126,400
Motor Carriers Road Tax — Motorbus Road Tax			
Motor Carriers Road/Motorbus Road — Fuels Tax	\$ 9,967	\$ 10,081	\$ 7,269
Motor Carriers Road/Motorbus Road — Registration Fees and Special Permit Fees	4,764	4,819	3,474
Subtotal	\$ 14,731	\$ 14,900	\$ 10,743
Interstate Bus Compact Fuels Tax			
Interstate Bus Compact Fuels Tax	\$ 3	.....	.....
Interstate Bus Compact Fuels Tax Interest	2	.....	.....
Subtotal	\$ 5	.....	.....
Oil Company Franchise Tax			
Oil Company Franchise Tax	\$ 291,646	\$ 293,445	\$ 295,200
Subtotal	\$ 291,646	\$ 293,445	\$ 295,200
TOTAL LIQUID FUELS TAXES	\$ 954,002	\$ 960,445	\$ 961,943
MOTOR LICENSES AND FEES			
Operators' Licenses	\$ 47,248	\$ 49,500	\$ 50,100
Other Fees Collected by Bureau of Motor Vehicles	18,412	18,500	18,500
Registration Fees Received from other States/IRP	20,966	26,000	24,000
Special Hauling Permit Fees	7,844	8,900	8,400
Vehicle Registration and Titling	381,956	387,900	394,700
TOTAL MOTOR LICENSES AND FEES	\$ 476,426	\$ 490,800	\$ 495,700

Motor License Fund

Revenue Detail (continued)

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Estimated	1995-96 Budget
OTHER MOTOR LICENSE FUND REVENUES			
Gross Receipts Tax			
Gross Receipts Tax	\$ 1,430	\$ 900	\$ 800
Subtotal	<u>\$ 1,430</u>	<u>\$ 900</u>	<u>\$ 800</u>
Fines and Penalties			
Department of Revenue			
Vehicle Code Fines	\$ 28,222	\$ 17,848	\$ 28,010
Department of Transportation			
Vehicle Code Fines	3,722	2,352	3,690
Subtotal	<u>\$ 31,944</u>	<u>\$ 20,200</u>	<u>\$ 31,700</u>
Miscellaneous Revenues			
Treasury Department			
Interest on Deposits — Cash Advancement Accounts ..	\$ 24	\$ 42	\$ 35
Interest on Securities	9,575	16,760	14,045
Interest on Securities — Liquid Fuels Tax Fund	314	550	461
Redeposit of Checks	313	548	459
Subtotal	<u>\$ 10,226</u>	<u>\$ 17,900</u>	<u>\$ 15,000</u>
Department of General Services			
Sale of Unserviceable Property	\$ 465	\$ 500	\$ 500
Subtotal	<u>\$ 465</u>	<u>\$ 500</u>	<u>\$ 500</u>
Department of Transportation			
Advance Construction Interstate Interest			
Reimbursement	\$ 1,449	\$ 1,493	\$ 1,201
Fees for Reclaiming Abandoned Vehicles	21	22	17
Highway Bridges Income	112	115	93
Highway Encroachment Permits	1,204	1,241	998
Recovered Damages	22	23	18
Sale of Abandoned Vehicles	2	2	2
Sale of Bid Proposals and Contract Specifications	538	554	446
Sale of Inspection Stickers	19,186	19,771	15,897
Sale of Maps and Plans	297	306	246
Sale of Right-of-Ways	4,307	4,438	3,569
Miscellaneous Revenues	601	619	498
Refunds of Expenditures Not Credited to Appropriations or Allocations	501	516	415
Subtotal	<u>\$ 28,240</u>	<u>\$ 29,100</u>	<u>\$ 23,400</u>
TOTAL OTHER MOTOR LICENSE FUND REVENUES ...	<u>\$ 72,305</u>	<u>\$ 68,600</u>	<u>\$ 71,400</u>
TOTAL MOTOR LICENSE FUND REVENUES	<u>\$ 1,502,733</u>	<u>\$ 1,519,845</u>	<u>\$ 1,529,043</u>

Motor License Fund

Restricted Revenues Not Included in Department Total

Aviation Revenues			
Actual	(Dollar Amounts in Thousands)		Estimated
1988-89	\$ 15,937	1994-95	\$ 19,575
1989-90	14,823	1995-96	18,640
1990-91	17,478	1996-97	18,840
1991-92	17,469	1997-98	19,030
1992-93	17,230	1998-99	19,180
1993-94	19,696	1999-00	19,380

Aviation revenue includes taxes levied on aviation gasoline and jet fuel, and income earned at State-owned airports. Both tax rates are annually adjusted based on the change in the jet fuel price index. In accordance with Act 164 of 1984 the aviation gasoline rate is not to exceed 6.0 cents per gallon nor be less than 3.0 cents per gallon. The jet fuel tax is not to exceed 2.0 cents per gallon nor be less than 1.5 cents per gallon. The tax rate as of January 1, 1995, is 3.5 cents per gallon on aviation gasoline and 1.7 cents per gallon on jet fuel. Airport income consists primarily of rents, concessions, utility refunds and landing fees. Aviation restricted revenues are not included in Motor License Fund revenue totals.

	1993-94 Actual	1994-95 Estimated	1995-96 Budget
AVIATION REVENUES			
Aviation Liquid Fuels Tax	\$ 9,183	\$ 9,335	\$ 9,340
Harrisburg International Airport Industrial Park	547	510	530
Harrisburg International Airport Operations	9,800	9,600	8,600
State Airport Operations	166	130	170
TOTAL AVIATION REVENUES	\$ 19,696	\$ 19,575	\$ 18,640

Highway Bridge Improvement Revenues

Actual	(Dollar Amounts in Thousands)		Estimated
1988-89	\$ 63,862	1994-95	\$ 73,795
1989-90	71,106	1995-96	73,600
1990-91	68,201	1996-97	71,600
1991-92	35,498 ^a	1997-98	72,285
1992-93	38,924 ^a	1998-99	72,970
1993-94	69,781	1999-00	73,455

Prior to the U.S. Supreme Court decision declaring the Axle Tax unconstitutional, highway bridge improvement revenues included a \$36 per axle tax on heavy trucks and temporary permit fees. The Axle Tax was found unconstitutional by the U.S. Supreme Court on June 23, 1987. These revenues were replaced by Act 56 of 1987 which provides for the following: a 6 cent per gallon surtax on fuel consumed in Pennsylvania by motor carrier 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.

	1993-94 Actual	1994-95 Estimated	1995-96 Budget
HIGHWAY BRIDGE IMPROVEMENT REVENUES			
Motor Carrier Surcharge	\$ 53,638	\$ 56,295	\$ 56,300
Registration Fee Portion—PA-Based Motor Vehicles	15,023	16,300	16,500
Temporary Permit Fees	1,120	1,200	800
TOTAL HIGHWAY BRIDGE IMPROVEMENT REVENUES	\$ 69,781	\$ 73,795	\$ 73,600

^aThe Motor Carrier Surcharge amounts are net of \$32 million of Axle Tax refunds in 1991-92 and \$30.4 million in 1992-93.

Motor License Fund

Restricted Revenues Not Included in Department Total (continued) _____

State Highway Transfer Revenues

	Actual	(Dollar Amounts in Thousands)		Estimated
1988-89	\$	14,855	1994-95	\$ 15,444
1989-90		15,061	1995-96	15,537
1990-91		15,231	1996-97	15,629
1991-92		14,903	1997-98	15,722
1992-93		16,369	1998-99	15,816
1993-94		15,438	1999-00	15,911

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

Oil Company Franchise Tax Restricted Account Revenues

	Actual	(Dollar Amounts in Thousands)		Estimated
1988-89			1994-95	\$ 283,149
1989-90			1995-96	284,842
1990-91			1996-97	286,536
1991-92	\$	176,918	1997-98	288,229
1992-93		288,863	1998-99	289,966
1993-94		280,361	1999-00	291,703

Oil Company Franchise Tax Restricted Account revenues are provided by a 55 mill tax on the average wholesale price of motor fuels as a result of passage of Act 26 of 1991. Monies are restricted in their usage by the following percentages: 42 percent for maintenance, 17 percent for capital projects, 13 percent for bridges, 12 percent for municipalities, 14 percent for toll roads and 2 percent for county or forestry bridges.



Commonwealth of Pennsylvania

Banking Department Fund

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

Banking Department Fund

Financial Statement

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Estimated
Beginning Balance	\$ 1,267	\$ 2,041	\$ 2,250
Receipts:			
Revenue Estimate	\$ 12,562	\$ 10,950	\$ 10,543
Prior Year Lapses	<u>235</u>	<u>30</u>	<u>.....</u>
Total Receipts	<u>12,797</u>	<u>10,980</u>	<u>10,543</u>
Funds Available	<u>\$ 14,064</u>	<u>\$ 13,021</u>	<u>\$ 12,793</u>
Expenditures:			
Appropriated	<u>\$ 12,023</u>	<u>\$ 10,771</u>	<u>\$ 10,197</u>
Estimated Expenditures	<u>-12,023</u>	<u>-10,771</u>	<u>-10,197</u>
Ending Balance	<u>\$ 2,041</u>	<u>\$ 2,250</u>	<u>\$ 2,596</u>

Summary by Department

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Estimated	1995-96 Budget
Treasury Department			
General Government			
Replacement Checks		\$ 5	\$ 5
Banking Department			
General Government			
General Operations	\$ 11,675	\$ 10,413	\$ 9,841
DEPARTMENT TOTAL	<u>\$ 11,675</u>	<u>\$ 10,413</u>	<u>\$ 9,841</u>
Department of General Services			
General Government			
Harristown Rental Charges	\$ 162	\$ 162	\$ 159
Harristown Utility and Municipal Charges	<u>186</u>	<u>191</u>	<u>192</u>
DEPARTMENT TOTAL	<u>\$ 348</u>	<u>\$ 353</u>	<u>\$ 351</u>
FUND TOTAL	<u>\$ 12,023</u>	<u>\$ 10,771</u>	<u>\$ 10,197</u>

Banking Department Fund

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	1993-94 Actual	1994-95 Estimated	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
Licenses and Fees	\$ 12,382	\$ 10,771	\$ 10,388	\$ 10,571	\$ 10,763	\$ 10,969	\$ 11,179
Fines and Penalties	101	100	76	76	76	76	76
Miscellaneous	79	79	79	79	79	79	79
TOTAL BANKING DEPARTMENT FUND RECEIPTS	\$ 12,562	\$ 10,950	\$ 10,543	\$ 10,726	\$ 10,918	\$ 11,124	\$ 11,334

Revenue Sources

Licenses and Fees

Actual		Estimated	
1988-89	\$ 7,190	1994-95	\$ 10,771
1989-90	7,497	1995-96	10,388
1990-91	8,566	1996-97	10,571
1991-92	9,058	1997-98	10,763
1992-93	10,440	1998-99	10,969
1993-94	12,382	1999-00	11,179

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

Fines and Penalties

Actual		Estimated	
1988-89		1994-95	\$ 100
1989-90		1995-96	76
1990-91		1996-97	76
1991-92	\$ 14	1997-98	76
1992-93	40	1998-99	76
1993-94	101	1999-00	76

The Commonwealth receives fines and penalties collected from companies illegally doing business in the Commonwealth as well as companies that file financial statements beyond deadlines established in regulations.

Miscellaneous Revenues

Actual		Estimated	
1988-89	\$ 290	1994-95	\$ 79
1989-90	427	1995-96	79
1990-91	389	1996-97	79
1991-92	162	1997-98	79
1992-93	79	1998-99	79
1993-94	79	1999-00	79


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

Banking Department Fund

Revenue Detail

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

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Estimated	1995-96 Budget
Licenses and Fees			
Banking Examinations	\$ 2,649	.....	.....
Banking — Overhead Assessments	2,155	.....	.....
Banking — Application Fees	115	\$ 64	\$ 66
Banking — Publications	1	1	1
Banking — Foreign Bank Application Fees	4	.....	.....
Banking — Interstate Application Fees	45	20	20
Banking — Intrastate Application Fees	17	10	14
Savings Associations — Examinations	661	661	561
Savings Associations — Overhead Assessments	161	122	110
Savings Associations — Application Fees	26	12	15
Savings Associations — Interstate Application Fees	5	5	10
Consumer Credit — Examinations	339	349	360
Consumer Credit — Overhead Assessments	275	297	293
Consumer Credit — Pawnbroker Licenses	22	22	22
Consumer Credit — Installment Seller Licenses	844	844	844
Consumer Credit — Consumer Discount Company Licenses	230	230	230
Consumer Credit — Money Transmitter Licenses	42	42	42
Consumer Credit — Sales Finance Licenses	293	293	293
Consumer Credit — Collector-Repossessor Licenses	28	28	28
Consumer Credit — Second Mortgage Licenses	362	362	362
Examinations — Credit Union	299	299	310
Examinations — Pawnbrokers	14	14	15
Examinations — Second Mortgage	62	63	65
Examinations — First Mortgage	3	4	4
Examinations — Trust Companies	35	200	36
Overhead Assessments — Trust Companies .....	.....	35	200
Total Assessment Charges — Banks	3,260	6,364	6,079
First Mortgage Company — Licenses	389	389	389
Mutual Holding Companies — Reorganization Application Fees	30	30	10
Miscellaneous	16	11	9
TOTAL	\$ 12,382	\$ 10,771	\$ 10,388
Fines and Penalties			
Banking Law — Fines and Penalties	\$ 101	\$ 100	\$ 76
TOTAL	\$ 101	\$ 100	\$ 76
Miscellaneous Revenues			
Interest on Securities	\$ 75	\$ 77	\$ 77
Interest on Deposits	2	2	2
Miscellaneous	2	.....	.....
TOTAL	\$ 79	\$ 79	\$ 79
TOTAL REVENUES	\$ 12,562	\$ 10,950	\$ 10,543



Commonwealth of Pennsylvania

Boat Fund

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

Boat Fund

Financial Statement

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Estimated
Beginning Balance	\$ 5,055	\$ 5,915	\$ 7,085
Receipts:			
Revenue Estimate	\$ 7,886	\$ 8,694	\$ 7,183
Prior Year Lapses	544	660	.....
Total Receipts	<u>8,430</u>	<u>9,354</u>	<u>7,183</u>
Funds Available	<u>\$ 13,485</u>	<u>\$ 15,269</u>	<u>\$ 14,268</u>
Expenditures:			
Appropriated	\$ 7,570	\$ 8,184	\$ 7,524
Estimated Expenditures	<u>-7,570</u>	<u>-8,184</u>	<u>-7,524</u>
Ending Balance	<u>\$ 5,915</u>	<u>\$ 7,085</u>	<u>\$ 6,744</u>

Summary by Department

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Estimated	1995-96 Budget
Treasury Department			
General Government			
Replacement Checks .....	.....	\$ 5	\$ 5
Debt Service Requirements			
General Obligation Debt Service	\$ 1	.....	.....
DEPARTMENT TOTAL	<u>\$ 1</u>	<u>\$ 5</u>	<u>\$ 5</u>
Fish and Boat Commission			
General Government			
General Operations	\$ 6,304	\$ 6,836	\$ 6,994
TOTAL STATE FUNDS	<u>\$ 6,305</u>	<u>\$ 6,841</u>	<u>\$ 6,999</u>
Federal Funds	\$ 1,239	\$ 1,333	\$ 510
Other Funds	26	10	15
FUND TOTAL	<u>\$ 7,570</u>	<u>\$ 8,184</u>	<u>\$ 7,524</u>

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	1993-94 Actual	1994-95 Estimated	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
Licenses and Fees	\$ 4,128	\$ 4,675	\$ 3,943	\$ 4,695	\$ 4,065	\$ 4,830	\$ 4,180
Fines and Penalties	141	150	150	160	160	170	170
Miscellaneous	2,352	2,526	2,565	2,631	2,702	2,778	2,849
TOTAL BOAT FUND REVENUES ...	\$ 6,621	\$ 7,351	\$ 6,658	\$ 7,486	\$ 6,927	\$ 7,778	\$ 7,199
Augmentations	\$ 1,265	\$ 1,343	\$ 525	\$ 485	\$ 495	\$ 510	\$ 520
TOTAL BOAT FUND RECEIPTS	\$ 7,886	\$ 8,694	\$ 7,183	\$ 7,971	\$ 7,422	\$ 8,288	\$ 7,719

Revenue Sources

Licenses and Fees

Actual	Estimated
1988-89	\$ 4,675
1989-90	3,943
1990-91	4,695
1991-92	4,065
1992-93	4,830
1993-94	4,180
1994-95	\$ 4,675
1995-96	3,943
1996-97	4,695
1997-98	4,065
1998-99	4,830
1999-00	4,180

The Boat Fund receives revenue from boat registration fees. Act 39 of 1991 increased and added fees. For motorboats up to 16 feet in length, the annual registration fee is \$10.00. For those between 16 and 20 feet, the fee is \$15.00 per year. The annual fee for motorboats over 20 feet is \$20.00. There is also a voluntary registration fee of \$5.00 per year for all boats not equipped with motors. Other fees, such as duplicate registrations (\$5.00 each) and commercial passenger boat registrations (\$25.00 each), were also affected by Act 39.

Fines and Penalties

Actual	Estimated
1988-89	\$ 150
1989-90	150
1990-91	160
1991-92	160
1992-93	170
1993-94	170
1994-95	\$ 150
1995-96	150
1996-97	160
1997-98	160
1998-99	170
1999-00	170

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

Miscellaneous Revenues

Actual	Estimated
1988-89	\$ 2,526
1989-90	2,565
1990-91	2,631
1991-92	2,702
1992-93	2,778
1993-94	2,849
1994-95	\$ 2,526
1995-96	2,565
1996-97	2,631
1997-98	2,702
1998-99	2,778
1999-00	2,849

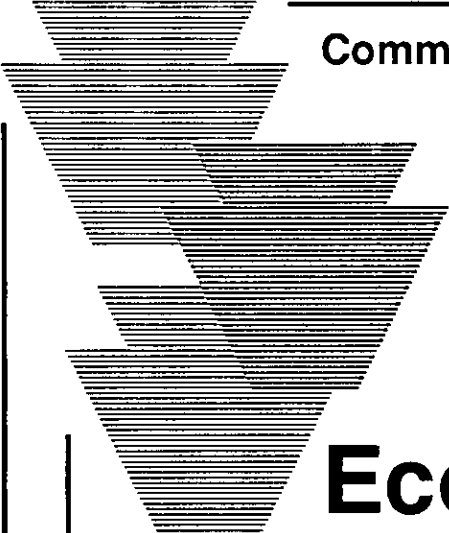
The Boat Fund receives a portion of the Liquid Fuels Tax transferred from the Motor License Fund and the Liquid Fuels Tax Fund for fuel used by motorboats on the waters of the Commonwealth. In addition, a small amount of revenue is collected annually from other miscellaneous sources including the sale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

Boat Fund

Revenue Detail

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

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Estimated	1995-96 Budget
Licenses and Fees			
Motor Boat Registration Fees	\$ 4,093	\$ 4,630	\$ 3,893
Boat Mooring Permits—Walnut Creek Access	26	30	30
Boating Safety Curriculum Fees .....	.....	.....	5
Boat Capacity Plate Fees	9	15	15
TOTAL	\$ 4,128	\$ 4,675	\$ 3,943
 Fines and Penalties			
Motor Boat Fines	\$ 141	\$ 150	\$ 150
TOTAL	\$ 141	\$ 150	\$ 150
 Miscellaneous			
Transfer from Motor License and Liquid Fuels Tax Funds	\$ 1,999	\$ 2,000	\$ 2,040
Miscellaneous	18	20	20
Interest on Securities	209	300	300
Sale of Unserviceable Property .....	.....	15	10
Sales Tax Agent Fee PFC Share	38	35	40
Sale of <i>Boat Pennsylvania</i>	22	26	25
North East Marina	66	130	130
TOTAL	\$ 2,352	\$ 2,526	\$ 2,565
TOTAL REVENUES	\$ 6,621	\$ 7,351	\$ 6,658
 Augmentations			
Sale of Automobiles	\$ 26	\$ 10	\$ 15
U.S. Coast Guard Grant for Boating Safety	937	771	175
Sport Fish Restoration	302	299	235
Clean Vessel Act .....	.....	263	100
TOTAL	\$ 1,265	\$ 1,343	\$ 525
TOTAL RECEIPTS	\$ 7,886	\$ 8,694	\$ 7,183



Commonwealth of 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.

Economic Revitalization Fund

Financial Statement

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Beginning Balance	\$ 7,652	\$ 4,623	.....
Receipts:			
Transfer from General Fund	\$ 65,500 ^a	\$ 42,500	.....
Transfer from Pennsylvania Capital Loan Fund .....	.....	15,000	.....
Revenue Estimate	8,622 ^b	3,121	.....
Less transfer of interest to sinking fund	-793	-428	.....
Total Receipts	73,329	60,193	.....
Bonds authorized, unissued as of the end of prior year	-20,580	-15,680	.....
Bonds authorized, unissued as of the end of current year	15,680	15,680	.....
Prior Year Lapses	1,184	1,682	.....
Funds Available	\$ 77,265	\$ 66,498	.....
Expenditures:			
Appropriated	\$ 73,005	\$ 64,505	.....
Less Current Year Lapses	-363	-788	.....
Estimated Expenditures	-72,642	-63,717	.....
Ending Balance	\$ 4,623	\$ 2,781 ^c	.....

^aIncludes \$45.5 million of 1993-94 General Fund appropriation which was not actually transferred until 1994-95 and excludes \$5.967 million of 1992-93 General Fund appropriation which was not actually transferred until 1993-94.

^bIncludes bonds issued but excludes \$4,000 expense of issuing bonds.

^cThis budget proposes elimination of this fund, the transfer of the 6/30/95 ending balance to the General Fund, and the future funding of most programs from the General Fund.

Economic Revitalization Fund

Summary by Department

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Estimated	1995-96 Budget
Treasury Department			
General Government			
Replacement Checks .....	.....	\$ 5	.....
Department of Conservation and Natural Resources			
Grants and Subsidies			
Recreational Improvement and Rehabilitation	\$ 3,500	.....	.....
Department of Commerce			
Grants and Subsidies			
Housing and Redevelopment — Economic Development			
Setaside	\$ 21,500	\$ 21,500	.....
Engineering School Equipment	1,000	.....	.....
PENNAG — Transfer to Pennsylvania Capital Loan Fund	980	1,000	.....
Business Infrastructure Development	14,500	12,500	.....
Employee Ownership—Technical Assistance	216	250	.....
Mon Valley Revitalization	1,000	1,000	.....
Beaver Valley Revitalization	250	250	.....
Shenango Valley Revitalization	250	250	.....
Community Economic Recovery	1,470	1,000	.....
Butler Revitalization	250	250	.....
Lawrence Revitalization	250	250	.....
Alle-Kiske Valley Revitalization	250	250	.....
Machinery and Equipment Loan Fund	7,800	7,000	.....
Industrial Communities Site Development and Action	13,426	13,000	.....
DEPARTMENT TOTAL	<u>\$ 63,142</u>	<u>\$ 58,500</u>	<u>.....</u>
Department of Labor and Industry			
Grants and Subsidies			
Pennsylvania Conservation Corps	\$ 6,000	\$ 6,000	.....
State Funds	\$ 72,642	\$ 64,505	.....
FUND TOTAL	<u>\$ 72,642</u>	<u>\$ 64,505</u>	<u>.....</u>

Economic Revitalization Fund

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
Transfer from General Fund	\$ 65,500	\$ 42,500	.....	.....	.....	.....	.....
Miscellaneous	8,622	18,121	.....	.....	.....	.....	.....
Interest Transferred to Sinking Fund	-793	-428	.....	.....	.....	.....	.....
TOTAL ECONOMIC REVITALIZATION FUND REVENUES	\$ 73,329	\$ 60,193	.....	.....	.....	.....	.....

Revenue Sources

Transfer from General Fund

Actual		Estimated	
1988-89	\$ 41,500	1994-95	\$ 42,500
1989-90	33,600	1995-96 .....	.....
1990-91	6,600	1996-97 .....	.....
1991-92	54,200	1997-98 .....	.....
1992-93	55,691	1998-99 .....	.....
1993-94	65,500	1999-00 .....	.....

Initially funded from the sale of bonds, this fund's primary source of revenue is now an annual transfer from the General Fund. The 1991-92 amount includes \$15.7 million which was not actually transferred until 1992-93, the 1992-93 amount includes \$5.967 million which was not actually transferred until 1993-94 and the 1993-94 amount includes \$45.5 million that was not actually transferred until 1994-95.

Miscellaneous Revenue

Actual		Estimated	
1988-89	\$ 5,470	1994-95	\$ 18,121
1989-90	3,999	1995-96 .....	.....
1990-91	56,723	1996-97 .....	.....
1991-92	37,115	1997-98 .....	.....
1992-93	9,051	1998-99 .....	.....
1993-94	8,622	1999-00 .....	.....

Miscellaneous Revenue includes bond sales net of discount and cost of issuance, interest earnings, loan repayments and other miscellaneous revenue, including a transfer of \$15 million from the Pennsylvania Capital Loan Fund in 1994-95.

Interest Transferred to Sinking Fund

Actual		Estimated	
1988-89	\$ -4,528	1994-95	\$ -428
1989-90	-3,439	1995-96 .....	.....
1990-91	-1,770	1996-97 .....	.....
1991-92	-323	1997-98 .....	.....
1992-93	-622	1998-99 .....	.....
1993-94	-793	1999-00 .....	.....


All interest on securities not used for bond discounts or the cost of issuing bonds are required to be transferred to the Economic Revitalization Sinking Fund to be used to pay interest and principal repayments due on outstanding economic revitalization bonds.

Economic Revitalization Fund

Revenue Detail

The following is a detailed list of all Pennsylvania Economic Revitalization Fund revenues.

	1993-94	(Dollar Amounts in Thousands)	1995-96
	Actual	1994-95 Estimated	Budget
Transfer from General Fund	\$ 65,500	\$ 42,500	.....
Miscellaneous Revenue	8,622	18,121	.....
Interest Transferred to Sinking Fund	-793	-428	.....
TOTAL RECEIPTS	<u>\$ 73,329</u>	<u>\$ 60,193</u>	<u>.....</u>



Commonwealth of Pennsylvania

Energy Conservation and Assistance Fund

The Energy Conservation and Assistance 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 were made from the fund for supplemental low-income weatherization and home energy assistance programs, and energy conservation activities.

Energy Conservation and Assistance Fund

Financial Statement

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Estimated
Beginning Balance	\$ 7,645	\$ 948	\$ 1,055
Receipts:			
Revenue Estimate	\$ 980	\$ 551	\$ 52
Prior Year Lapses	1,123	24	.....
	2,103	575	52
Funds Available	\$ 9,748	\$ 1,523	\$ 1,107
Expenditures:			
Appropriated	\$ 12,000	\$ 468	\$ 600
Less Anticipated Lapses	-3,200	.....	.....
	-8,800	-468	-600
Ending Balance	<u>\$ 948</u>	<u>\$ 1,055</u>	<u>\$ 507</u>

Summary by Department

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Estimated	1995-96 Budget
Department of Public Welfare			
General Government			
Low Income Home Energy Assistance	\$ 9,000	\$ 351	\$ 450
Department of Environmental Protection			
General Government			
Energy Conservation Programs	3,000	117	150
TOTAL STATE FUNDS	<u>\$ 12,000</u>	<u>\$ 468</u>	<u>\$ 600</u>
FUND TOTAL	<u>\$ 12,000</u>	<u>\$ 468</u>	<u>\$ 600</u>

Energy Conservation and Assistance Fund

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	1993-94 Actual	1994-95 Estimated	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
Court Settlements	\$ 521	\$ 1	.....	.....	.....	.....	.....
Miscellaneous	459	550	\$ 52	\$ 25	\$ 25	\$ 26	\$ 27
TOTAL ENERGY CONSERVATION AND ASSISTANCE FUND RECEIPTS	\$ 980	\$ 551	\$ 52	\$ 25	\$ 25	\$ 26	\$ 27

Revenue Sources

Court Settlements			
Actual		Estimated	
1988-89	\$ 6,144	1994-95	\$ 1
1989-90	11,099	1995-96	*
1990-91	7,001	1996-97	*
1991-92	8,999	1997-98	*
1992-93	7,186	1998-99	*
1993-94	521	1999-00	*

Price controls were imposed on existing petroleum reserves during the oil embargo. Violations of this law have been recouped from the oil companies and distributed to the states in proportion to the specific product consumption.

No amounts are estimated for 1995-96 through 1999-00 due to the inability to project when the last three outstanding oil overcharge cases will be settled.

Miscellaneous Revenues			
Actual		Estimated	
1988-89	\$ 7,162	1994-95	\$ 550
1989-90	6,200	1995-96	52
1990-91	3,505	1996-97	25
1991-92	1,666	1997-98	25
1992-93	820	1998-99	26
1993-94	459	1999-00	27


Miscellaneous revenues include earned interest.

Energy Conservation and Assistance Fund

Revenue Detail

The following is a detailed list of all Energy Conservation and Assistance Fund Revenues.

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Estimated	1995-96 Budget
Court Settlements	\$ 521	\$ 1	.....
Interest Earned	459	498	\$ 52
Miscellaneous .....	.....	52	.....
TOTAL RECEIPTS	\$ 980	\$ 551	\$ 52



Commonwealth of Pennsylvania

Farm Products Show Fund

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

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

Farm Products Show Fund

Financial Statement

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Estimated
Beginning Balance	\$ 442	\$ 726	\$ 704
Receipts:			
Revenue Estimate	\$ 3,144	\$ 3,200	\$ 3,340
Transfer from General Fund	674	700	700
Augmentations	12	.....	.....
Prior Year Lapses	205	.....	.....
	4,035	3,900	4,040
Funds Available	\$ 4,477	\$ 4,626	\$ 4,744
Expenditures:			
Appropriated	\$ 3,751	\$ 3,949	\$ 3,923
Less Current Year Lapses .....	.....	-27	.....
	-3,751	-3,922	-3,923
Ending Balance	\$ 726	\$ 704	\$ 821

Summary by Department

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Estimated	1995-96 Budget
Treasury Department			
General Government			
Replacement Checks .....	.....	\$ 5	\$ 5
Department of Agriculture			
General Government			
General Operations	\$ 3,065	\$ 3,244	\$ 3,218
DEPARTMENT TOTAL	\$ 3,065	\$ 3,244	\$ 3,218
TOTAL STATE FUNDS	\$ 3,065	\$ 3,249	\$ 3,223
Augmentations	\$ 686	\$ 700	\$ 700
FUND TOTAL	\$ 3,751	\$ 3,949	\$ 3,923

Farm Products Show Fund

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Estimated	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
Fees	\$ 274	\$ 276	\$ 280	\$ 280	\$ 280	\$ 280	\$ 280
Miscellaneous	<u>2,870</u>	<u>2,948</u>	<u>3,060</u>	<u>3,060</u>	<u>3,060</u>	<u>3,060</u>	<u>3,060</u>
Total Farm Products Show Fund Revenues	<u>\$ 3,144</u>	<u>\$ 3,224</u>	<u>\$ 3,340</u>	<u>\$ 3,340</u>	<u>\$ 3,340</u>	<u>\$ 3,340</u>	<u>\$ 3,340</u>
Augmentations	<u>\$ 686</u>	<u>\$ 700</u>	<u>\$ 700</u>	<u>\$ 700</u>	<u>\$ 700</u>	<u>\$ 700</u>	<u>\$ 700</u>
TOTAL FARM PRODUCTS SHOW FUND RECEIPTS	<u><u>\$ 3,830</u></u>	<u><u>\$ 3,924</u></u>	<u><u>\$ 4,040</u></u>	<u><u>\$ 4,040</u></u>	<u><u>\$ 4,040</u></u>	<u><u>\$ 4,040</u></u>	<u><u>\$ 4,040</u></u>

Revenue Sources

Fees

Actual	(Dollar Amounts in Thousands)		Estimated
1988-89	\$ 265	1994-95	\$ 276
1989-90	265	1995-96	280
1990-91	267	1996-97	280
1991-92	263	1997-98	280
1992-93	276	1998-99	280
1993-94	274	1999-00	280

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 Revenue

Actual	(Dollar Amounts in Thousands)		Estimated
1988-89	\$ 2,271	1994-95	\$ 2,948
1989-90	3,489	1995-96	3,060
1990-91	2,424	1996-97	3,060
1991-92	2,651	1997-98	3,060
1992-93	2,830	1998-99	3,060
1993-94	2,870	1999-00	3,060


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. Included in the 1988-89 and 1989-90 revenue are the proceeds from the sale of the Woodville Farm as mandated by Act 64 of 1988.

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)		
	1993-94 Actual	1994-95 Estimated	1995-96 Budget
Licenses and Fees			
Exhibit Fees — Competitive — Farm Show	\$ 17	\$ 22	\$ 22
Exhibit — Commercial	257	254	258
TOTAL	<u>\$ 274</u>	<u>\$ 276</u>	<u>\$ 280</u>
 Miscellaneous Revenue			
Concession Revenue	\$ 808	\$ 945	\$ 875
Service Charges	304	261	331
Rentals	1,322	1,275	1,400
Sale of Exhibits — Net Proceeds	6	3	7
Miscellaneous Revenue	10	7	11
Interest on Securities, Deposits, Returned Checks	23	23	23
Parking Fees	355	392	370
Salary Reimbursement — Dairy and Livestock Association	37	38	38
Sign Shop Sales	5	4	5
TOTAL	<u>\$ 2,870</u>	<u>\$ 2,948</u>	<u>\$ 3,060</u>
TOTAL REVENUES	<u>\$ 3,144</u>	<u>\$ 3,224</u>	<u>\$ 3,340</u>
 Augmentations			
Transfer from General Fund	\$ 674	\$ 700	\$ 700
Farm Show Seat Replacement	12	.....	.....
TOTAL	<u>\$ 686</u>	<u>\$ 700</u>	<u>\$ 700</u>
TOTAL RECEIPTS	<u>\$ 3,830</u>	<u>\$ 3,924</u>	<u>\$ 4,040</u>



Commonwealth of Pennsylvania

Fish Fund

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

Fish Fund

Financial Statement

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Estimated
Beginning Balance	\$ 9,298	\$ 8,785	\$ 8,429
Receipts:			
Miscellaneous	\$ 31,912	\$ 34,633	\$ 32,500
Prior Year Lapses	1,712	1,655	.....
Total Receipts	<u>33,624</u>	<u>36,288</u>	<u>32,500</u>
Funds Available	\$ 42,922	\$ 45,073	\$ 40,929
Expenditures:			
Appropriated	\$ 34,137	\$ 36,644	\$ 32,500
Estimated Expenditures	<u>-34,137</u>	<u>-36,644</u>	<u>-32,500</u>
Ending Balance	<u>\$ 8,785</u>	<u>\$ 8,429</u>	<u>\$ 8,429</u>

Summary by Department

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Estimated	1995-96 Budget
Treasury Department			
General Government			
Replacement Checks .....	.....	\$ 15	\$ 15
Debt Service Requirements			
General Obligation Debt Service	\$ 34	24	4
DEPARTMENT TOTAL	<u>\$ 34</u>	<u>\$ 39</u>	<u>\$ 19</u>
Fish and Boat Commission			
General Government			
General Operations	\$ 21,628	\$ 22,452	\$ 19,679
TOTAL STATE FUNDS	<u>\$ 21,662</u>	<u>\$ 22,491</u>	<u>\$ 19,698</u>
Federal Funds	\$ 4,818	\$ 5,865	\$ 5,204
Other Funds	7,657	8,288	7,598
FUND TOTAL	<u>\$ 34,137</u>	<u>\$ 36,644</u>	<u>\$ 32,500</u>

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	1993-94 Actual	1994-95 Estimated	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
Licenses and Fees	\$ 17,170	\$ 17,900	\$ 17,532	\$ 17,707	\$ 17,894	\$ 18,069	\$ 18,244
Fines and Penalties	317	310	310	320	320	330	330
Miscellaneous	1,950	2,270	1,856	1,921	1,981	2,016	2,041
Total Fish Fund Revenues	<u>\$ 19,437</u>	<u>\$ 20,480</u>	<u>\$ 19,698</u>	<u>\$ 19,948</u>	<u>\$ 20,195</u>	<u>\$ 20,415</u>	<u>\$ 20,615</u>
Augmentations	<u>\$ 12,475</u>	<u>\$ 14,153</u>	<u>\$ 12,802</u>	<u>\$ 12,771</u>	<u>\$ 13,060</u>	<u>\$ 13,353</u>	<u>\$ 13,683</u>
TOTAL FISH FUND RECEIPTS	<u><u>\$ 31,912</u></u>	<u><u>\$ 34,633</u></u>	<u><u>\$ 32,500</u></u>	<u><u>\$ 32,719</u></u>	<u><u>\$ 33,255</u></u>	<u><u>\$ 33,768</u></u>	<u><u>\$ 34,298</u></u>

Revenue Sources

Actual	Licenses and Fees	Estimated	
1988-89	\$ 13,717	1994-95	\$ 17,900
1989-90	14,182	1995-96	17,532
1990-91	16,595	1996-97	17,707
1991-92	17,027	1997-98	17,894
1992-93	17,239	1998-99	18,069
1993-94	17,170	1999-00	18,244

The Commonwealth issues resident fishing licenses to persons between the ages of 16 and 64 if the applicant can prove that he has been a resident of the Commonwealth for 60 days. Through the passage of Act 180 of 1982 the resident fees were increased to \$12.00. The Commonwealth also issues senior resident fishing licenses to persons 65 years of age and older for a fee of \$2.00. An individual eligible for a senior resident license can purchase a lifetime license for a fee of \$10.00. Act 180 of 1982 also increased nonresident fees to \$20.00 and the tourist fishing license to \$15.00. Tourist licenses are valid for a period of seven consecutive days. Effective January 1991, persons fishing for trout or salmon are now required to buy a \$5.00 stamp in addition to their regular fishing license. Other sources of revenue include special eel licenses, Lake Erie commercial fishing licenses and commercial hatchery licenses.

Actual	Fines and Penalties	Estimated	
1988-89	\$ 181	1994-95	\$ 310
1989-90	230	1995-96	310
1990-91	275	1996-97	320
1991-92	261	1997-98	320
1992-93	293	1998-99	330
1993-94	317	1999-00	330

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

Actual	Miscellaneous Revenue	Estimated	
1988-89	\$ 2,104	1994-95	\$ 2,270
1989-90	3,157	1995-96	1,856
1990-91	2,748	1996-97	1,921
1991-92	2,297	1997-98	1,981
1992-93	2,035	1998-99	2,016
1993-94	1,950	1999-00	2,041

The Commonwealth receives contributions for restocking of streams principally from persons or businesses that pollute, dam or interfere with fish propagation and survival. Monies are received from the Commission publication, *The Pennsylvania Angler*, from the sale of unserviceable and confiscated property, and from other miscellaneous sources.

Fish Fund

Revenue Detail

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

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Estimated	1995-96 Budget
Licenses and Fees			
Resident Fishing Licenses	\$ 11,326	\$ 11,820	\$ 11,520
Resident Senior Fishing Licenses	44	60	50
Nonresident Fishing Licenses	1,662	1,650	1,700
Tourist Fishing Licenses	278	340	280
Lake Erie Licenses	3	4	4
Commercial Hatchery Licenses	8	9	9
Fishing Lake Licenses	24	24	24
Miscellaneous Permits and Fees	34	32	32
Scientific Collector's Permits	5	7	6
Lifetime Fishing Licenses — Senior Resident	150	180	170
Membership Fees — Pennsylvania League of Angling			
Youth	9	10	10
H.R. Stackhouse Facilities User Fees	3	4	2
Trout/Salmon Stamp	3,624	3,760	3,725
TOTAL	<u>\$ 17,170</u>	<u>\$ 17,900</u>	<u>\$ 17,532</u>
Fines and Penalties			
Fish Law Fines	\$ 317	\$ 310	\$ 310
TOTAL	<u>\$ 317</u>	<u>\$ 310</u>	<u>\$ 310</u>
Miscellaneous Revenue			
Sale of Publications	\$ 17	\$ 25	\$ 25
Sale of Unserviceable Property .....	.. . . .	20	10
Miscellaneous Revenue	26	115	45
Refund of Expenditures not Credited to Appropriations ..	15	.. . . .	.. . . .
Interest on Securities and Deposits	417	500	450
Rental of Fish and Boat Commission Property	296	65	50
Income from Sand and Gravel Dredging	283	330	270
In Lieu Payments for Fishways	75	75	75
Sale of Pennsylvania Angler	267	250	250
Sale of Patches	7	.. . . .	.. . . .
Van Dyke Shad Station—Reimbursements	105	90	100
Pollution and Stream Disturbance Settlements	425	750	525
Sale of Recreational Fishing Promotional Items	3	20	20
Royalty Payments	5	10	6
Contributions — Land and Water Acquisition	9	20	30
TOTAL	<u>\$ 1,950</u>	<u>\$ 2,270</u>	<u>\$ 1,856</u>
TOTAL REVENUES	<u>\$ 19,437</u>	<u>\$ 20,480</u>	<u>\$ 19,698</u>
Augmentations			
Sale of Automobiles and Other Vehicles	\$ 53	\$ 55	\$ 25
Reimbursement for Services—Boating Fund	7,569	8,179	7,519
Reimbursement for Services—Department of			
Transportation	35	50	50
Claim Settlement—Texas Eastern .....	.. . . .	4	4
Federal Reimbursement—Sport Fish Restoration	4,752	5,741	4,948
Federal Reimbursement—Mid-Atlantic Management			
Council	9	8	8
Federal Reimbursement—Surface Mine Regulation	43	36	38
Federal Reimbursement—NOAA	14	80	210
TOTAL	<u>\$ 12,475</u>	<u>\$ 14,153</u>	<u>\$ 12,802</u>
TOTAL RECEIPTS	<u>\$ 31,912</u>	<u>\$ 34,633</u>	<u>\$ 32,500</u>



Commonwealth of Pennsylvania

Game Fund

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

Game Fund

Financial Statement

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Estimated
Beginning Balance	\$ 39,685	\$ 39,948	\$ 29,829
Receipts:			
Revenue Estimate	\$ 51,799	\$ 49,872	\$ 48,548
Prior Year Lapses	1,169	500	500
Total Receipts	52,968	50,372	49,048
Funds Available	\$ 92,653	\$ 90,320	\$ 78,877
Expenditures:			
Appropriated	\$ 52,705	\$ 60,491	\$ 58,310
Estimated Expenditures	-52,705	-60,491	-58,310
Ending Balance	\$ 39,948	\$ 29,829	\$ 20,567

Summary by Department

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Estimated	1995-96 Budget
Treasury Department			
General Government			
Replacement Checks		\$ 5	\$ 5
Game Commission			
General Government			
General Operations	\$ 43,901	\$ 50,668	\$ 50,261
Land Acquisition and Development	129	3,000	1,800
DEPARTMENT TOTAL	\$ 44,030	\$ 53,668	\$ 52,061
TOTAL STATE FUNDS	\$ 44,030	\$ 53,673	\$ 52,066
Federal Funds	\$ 7,961	\$ 6,620	\$ 6,045
Other Funds	714	198	199
FUND TOTAL	\$ 52,705	\$ 60,491	\$ 58,310

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	1993-94 Actual	1994-95 Estimated	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
Licenses and Fees	\$ 25,388	\$ 25,300	\$ 25,300	\$ 25,300	\$ 25,300	\$ 25,300	\$ 25,300
Fines and Penalties	1,581	1,600	1,600	1,600	1,600	1,600	1,600
Miscellaneous	16,155	16,154	15,404	15,404	15,404	15,404	15,404
TOTAL GAME FUND REVENUES ...	\$ 43,124	\$ 43,054	\$ 42,304	\$ 42,304	\$ 42,304	\$ 42,304	\$ 42,304
Augmentations	\$ 8,675	\$ 6,818	\$ 6,244	\$ 6,244	\$ 6,251	\$ 6,258	\$ 6,265
TOTAL GAME FUND RECEIPTS	\$ 51,799	\$ 49,872	\$ 48,548	\$ 48,548	\$ 48,555	\$ 48,562	\$ 48,569

Revenue Sources

Licenses and Fees

Actual	Estimated
1988-89 \$ 25,150	1994-95 \$ 25,300
1989-90 25,274	1995-96 25,300
1990-91 26,047	1996-97 25,300
1991-92 26,246	1997-98 25,300
1992-93 25,646	1998-99 25,300
1993-94 25,388	1999-00 25,300

The current fees for licenses became effective September 1985. For resident hunting and resident furtaker licenses, the fees are: ages 17 to 64, \$12.00; over age 65, \$10.00; ages 12 to 16, \$5.00. A resident senior lifetime hunting license is \$50.00. For nonresidents of the Commonwealth, hunting and furtaker licenses are: over age 17, \$80.00; ages 12 to 16, \$40.00. In addition, a license for a nonresident to hunt bear is \$25.00. Archery, muzzleloader and antlerless deer licenses are \$5.00. Nonresidents may also buy a special three-day license to hunt on a regulated shooting ground for \$3.00; a five-day license to hunt small game costs \$15.00.

Fines and Penalties

Actual	Estimated
1988-89 \$ 1,010	1994-95 \$ 1,600
1989-90 1,101	1995-96 1,600
1990-91 2,439	1996-97 1,600
1991-92 1,685	1997-98 1,600
1992-93 1,809	1998-99 1,600
1993-94 1,581	1999-00 1,600

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

Game Fund

Revenue Sources (continued)

Miscellaneous Revenues			
Actual	(Dollar Amounts in Thousands)		Estimated
1988-89	\$ 12,826	1994-95	\$ 16,154
1989-90	14,924	1995-96	15,404
1990-91	13,647	1996-97	15,404
1991-92	14,729	1997-98	15,404
1992-93	16,785	1998-99	15,404
1993-94	16,155	1999-00	15,404

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

Revenue Detail

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

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Estimated	1995-96 Budget
Licenses and Fees			
Resident Hunting Licenses	\$ 10,681	\$ 10,750	\$ 10,750
Resident Junior Hunting Licenses	529	515	515
Nonresident Hunting Licenses	5,655	5,700	5,700
Special Game Permits	269	175	175
Special Antlerless Deer Licenses	3,722	3,740	3,740
Special Archery Licenses	1,590	1,500	1,500
Landowner Hunting Licenses	7	7	7
Resident Senior Hunting Licenses	620	625	625
Muzzle-loading Hunting Licenses	406	400	400
Right-of-Way Licenses	327	320	320
Resident Bear Licenses	913	920	920
Nonresident Bear Licenses	67	60	60
Hunting License Issuing Agents' Application Fees	40	40	40
Nonresident Junior Hunting License	98	95	95
Nonresident 5-Day Hunting License	63	65	65
Senior Resident — Lifetime Hunting License	161	150	150
Adult Resident Furtaker License	194	195	195
Junior Resident Furtaker License	16	15	15
Senior Resident Furtaker License	12	13	13
Nonresident Furtaker License	14	12	12
Senior Lifetime Furtaker License	4	3	3
TOTAL	\$ 25,388	\$ 25,300	\$ 25,300
Fines and Penalties			
Game Law Fines	\$ 1,581	\$ 1,600	\$ 1,600
TOTAL	\$ 1,581	\$ 1,600	\$ 1,600

Revenue Detail (continued)

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Estimated	1995-96 Budget
Miscellaneous Revenue			
Sports Promotional Publications and Materials	\$ 11	\$ 15	\$ 15
Sale of Coal	587	500	500
Sale of Wood Products	10,615	9,500	9,500
Interest on Deposits	6	20	20
Sale of Unserviceable Property	1	1	1
Sale of Skins and Guns	30	25	25
Rental of State Property	11	10	10
Miscellaneous Revenue	130	1,452	1,002
Interest on Securities	2,780	2,800	2,500
Gas and Oil Ground Rentals and Royalties	240	320	320
Refund of Expenditures Not Credited to Appropriations	5	5	5
Sale of Nonusable Property .....	.	2	2
Miscellaneous Revenue License Division	26	15	15
Sale of Game News	706	699	699
Sale of Stone, Sand, Gravel and Limestone	54	10	10
Sale of Grain and Hay	37	20	20
Sale of Maps	24	25	25
Wildlife Management Promotional Revenue	210	175	175
Sale of Wood Products — PR Tracts	387	250	250
Working Together For Wildlife — Non-Game Fund	245	250	250
Waterfowl Management Stamp Sales and Royalties	50	60	60
TOTAL	\$ 16,155	\$ 16,154	\$ 15,404
TOTAL REVENUES	\$ 43,124	\$ 43,054	\$ 42,304
Augmentations			
Sale of Automobiles	\$ 135	\$ 130	\$ 130
Federal Reimbursement—Pittman Robinson Act	7,904	6,406	6,000
Endangered Species Program	23	10	10
Pennsylvania Conservation Corps	93	54	50
Federal Reimbursement—Surface Mine Regulatory Program	34	35	35
Private Donations	87	8	8
Youth Shooting Sports Program	7	6	6
Federal Land and Water .....	.	169	.
Streambank Fencing Program	392	.	5
TOTAL—AUGMENTATIONS	\$ 8,675	\$ 6,818	\$ 6,244
TOTAL RECEIPTS	\$ 51,799	\$ 49,872	\$ 48,548



Commonwealth of Pennsylvania

Lottery Fund

The Lottery Fund is a special revenue fund composed of monies received from lottery sales. It provides funds for lottery prizes and for programs to support older Pennsylvanians including property tax and rent assistance, community care programs, mass transit fare subsidies and partial rebate of drug costs.

Lottery Fund

Financial Statement

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Estimated
Beginning Balance	\$ 90,648	\$ 3,613	\$ 5,728
Reserve from Previous Year .....	.....	86,000	104,000
Adjustment to Beginning Balance	5	.....	.....
	\$ 90,653	\$ 89,613	\$ 109,728
Receipts:			
Revenue Estimate	\$ 851,425	\$ 879,346	\$ 889,499
Prior Year Lapses	7,865	18,318	.....
	859,290	897,664	889,499
Funds Available	\$ 949,943	\$ 987,277	\$ 999,227
Expenditures:			
Appropriated	\$ 860,330	\$ 877,549	\$ 875,757
Estimated Expenditures	-860,330	-877,549	-875,757
Reserve for Current Year	-86,000	-104,000	-118,000
Ending Balance	\$ 3,613	\$ 5,728	\$ 5,470

Lottery Fund

Summary by Department

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Estimated	1995-96 Budget
Executive Offices			
General Government			
OB — Ridership Verification	\$ 100	\$ 114	\$ 117
Treasury Department			
General Government			
Replacement Checks	\$ 9	\$ 150	\$ 150
Department of Aging			
General Government			
General Government Operations	\$ 3,069	\$ 3,216	\$ 3,599
Grants and Subsidies			
PENNCARE	\$ 148,282 ^a	\$ 158,059	\$ 163,938
Pharmaceutical Assistance Fund	207,000	217,000	208,000
Senior Center Improvements .....	.....	2,000	.....
Subtotal	<u>\$ 355,282</u>	<u>\$ 377,059</u>	<u>\$ 371,938</u>
TOTAL STATE FUNDS	<u>\$ 358,351</u>	<u>\$ 380,275</u>	<u>\$ 375,537</u>
Federal Funds	\$ 66,258	\$ 69,459	\$ 75,553
Augmentations	4,818	4,506	11,800
DEPARTMENT TOTAL	<u>\$ 429,427</u>	<u>\$ 454,240</u>	<u>\$ 462,890</u>
Department of General Services			
General Government			
Harristown Rental Charges	\$ 92	\$ 72	\$ 82
Harristown Utility and Municipal Charges	121	113	122
DEPARTMENT TOTAL	<u>\$ 213</u>	<u>\$ 185</u>	<u>\$ 204</u>
Department of Public Welfare			
Grants and Subsidies			
Medical Assistance—Long-Term Care Facilities	<u>\$ 20,000</u>	<u>.....</u>	<u>.....</u>

^aActually appropriated as Aging Programs \$67,335,000, PENNCARE \$76,787,000 and Abuse Intervention Services for Older Pennsylvanians \$4,160,000.

Lottery Fund

Summary by Department (continued)

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Estimated	1995-96 Budget
Department of Revenue			
General Government			
General Operations	\$ 52,537	\$ 61,820	\$ 61,566
On-line Commissions	22,833	22,707	23,039
Personal Income Tax for Lottery Prizes	22,557	22,460	22,689
Payment of Prize Money	175,216	178,813	180,637
Subtotal	<u>\$ 273,143</u>	<u>\$ 285,800</u>	<u>\$ 287,931</u>
Grants and Subsidies			
Property Tax and Rent Assistance for Older Pennsylvanians	\$ 102,600	\$ 100,000	\$ 99,000
TOTAL STATE FUNDS	<u>\$ 375,743</u>	<u>\$ 385,800</u>	<u>\$ 386,931</u>
Augmentations	<u>\$ 3,850</u>	<u>\$ 4,043</u>	<u>\$ 4,145</u>
DEPARTMENT TOTAL	<u>\$ 379,593</u>	<u>\$ 389,843</u>	<u>\$ 391,076</u>
Department of Transportation			
Grants and Subsidies			
Older Pennsylvanians Free Transit	\$ 56,520	\$ 56,100	\$ 56,718
Older Pennsylvanians Shared Ride	49,394	54,925	56,100
DEPARTMENT TOTAL	<u>\$ 105,914</u>	<u>\$ 111,025</u>	<u>\$ 112,818</u>
TOTAL STATE FUNDS	<u>\$ 860,330</u>	<u>\$ 877,549</u>	<u>\$ 875,757</u>
Federal Funds	\$ 66,258	\$ 69,459	\$ 75,553
Augmentations	8,668	8,549	15,945
FUND TOTAL	<u>\$ 935,256</u>	<u>\$ 955,557</u>	<u>\$ 967,255</u>

Lottery Fund

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	1993-94 Actual	1994-95 Estimated	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
Collections	\$ 848,265	\$ 875,372	\$ 884,493	\$ 890,470	\$ 896,558	\$ 902,755	\$ 909,063
Capital Stock and Franchise Taxes	266						
Miscellaneous Revenue	2,894	3,974	5,006	5,883	6,456	6,710	6,876
TOTAL LOTTERY FUND REVENUES..	\$ 851,425	\$ 879,346	\$ 889,499	\$ 896,353	\$ 903,014	\$ 909,465	\$ 915,939

Revenue Sources

Net Lottery Collections

	Actual		Estimated
1988-89	\$ 893,431	1994-95	\$ 875,372
1989-90	843,655	1995-96	884,493
1990-91	809,825	1996-97	890,470
1991-92	800,309	1997-98	896,558
1992-93	797,097	1998-99	902,755
1993-94	848,265	1999-00	909,063

Net lottery collections consist of the proceeds from lottery ticket sales less commissions and some prizes. Currently prizes of \$2,500 or less for the on-line games and prizes of \$100 or less for instant games can be paid by the ticket agents. The State Lottery is currently operating seven games. The "Daily Number" game introduced in March 1977, the "Big 4" game introduced in November 1980, the "Lotto" game introduced in April 1982 and revised as "Wild Card Lotto" in February 1988, the "Super 7" introduced in August 1986, the "Cash 5" introduced in April 1992 and the "Hearts & Diamonds" game introduced in October 1994 all utilize computer sales terminals located across the Commonwealth. The seventh game is the instant game which consists of variations of instant game tickets introduced at routine intervals during the year. Ticket prices are \$1 for "Cash 5" which consists of 1 play to pick 5 of 39 numbers, "Super 7" which consists of 1 play to pick 7 of 10 of 74 numbers and "Hearts & Diamonds" which consists of 1 play to pick 5 of 26 cards. Wild Card Lotto is priced at 2 plays for \$1. "Daily Number" and "Big 4" game ticket prices range from \$.50 to \$5. The "Instant Game" ticket prices range from \$1 to \$5.

Net lottery collections as reported above correspond to the Lottery Fund revenue remitted to the Commonwealth and reported in the Commonwealth's accounting system. Net lottery collections are derived by subtracting the commissions retained and prizes paid by local lottery agents from the total lottery ticket sales. The table below shows the calculation of the net revenue amount.

	(Dollar Amounts in Thousands)						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Ticket Sales	\$ 1,565,664	\$ 1,580,400	\$ 1,596,700	\$ 1,607,400	\$ 1,618,300	\$ 1,629,400	\$ 1,640,700
Commissions	-80,901	-81,027	-81,847	-82,386	-82,936	-83,496	-84,067
Field Paid Prizes	-636,498	-624,001	-630,360	-634,544	-638,806	-643,149	-647,570
NET LOTTERY COLLECTIONS	\$ 848,265	\$ 875,372	\$ 884,493	\$ 890,470	\$ 896,558	\$ 902,755	\$ 909,063

Lottery Fund

Revenue Sources (continued)

Capital Stock and Franchise Tax

Actual	(Dollar Amounts in Thousands)	Estimated
1988-89		1994-95
1989-90		1995-96
1990-91		1996-97
1991-92 \$	12,492	1997-98
1992-93	3,758	1998-99
1993-94	266	1999-00

Tax Base and Rate: Act 22 of 1991 provided that the proceeds of one-quarter mill of the Capital Stock and Franchise tax from any taxable year beginning in 1991 shall be transferred to the State Lottery Fund. Transfers, as determined by the Secretary of Revenue, shall be made by December 15 and June 15 of each year. See the description of the Capital Stock and Franchise Taxes in the General Fund Revenue Sources.

Miscellaneous Revenue

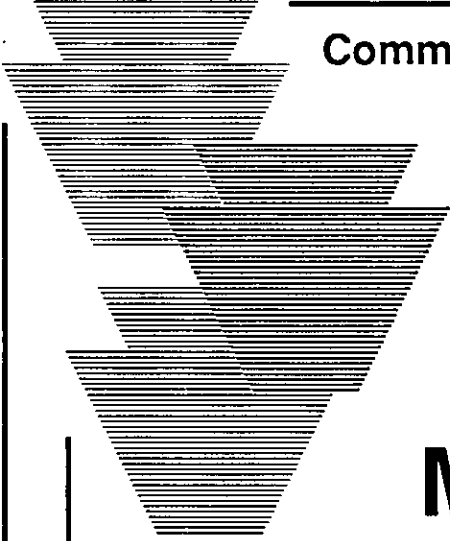
Actual	(Dollar Amounts in Thousands)	Estimated	
1988-89 \$	26,059	1994-95 \$	3,974
1989-90	19,837	1995-96	5,006
1990-91	12,484	1996-97	5,883
1991-92	5,776	1997-98	6,456
1992-93	11,637	1998-99	6,710
1993-94	2,894	1999-00	6,876

Miscellaneous revenue includes interest earned on securities, interest on deposits, premiums on sale of securities and refund of expenditures.

Revenue Detail

The following is a detailed list of all Lottery Fund revenues.

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Estimated	1995-96 Budget
Collections	\$ 848,265	\$ 875,372	\$ 884,493
Capital Stock and Franchise Taxes	266	.....	.....
Miscellaneous	2,894	3,974	5,006
TOTAL LOTTERY FUND REVENUES	\$ 851,425	\$ 879,346	\$ 889,499



Commonwealth of Pennsylvania

Milk Marketing Fund

The Milk Marketing Fund is a special revenue fund composed of monies received from license fees, fines, penalties and permits relating to the milk industry.

The purpose of this fund is to provide for the operation of the Milk Marketing Board and to serve as a depository for money due dairy farmers from underpayments by dealers.

Milk Marketing Fund

Financial Statement

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Beginning Balance	\$ 619	\$ 1,175	\$ 1,396
Receipts:			
Revenue Estimate	\$ 2,199	\$ 2,087	\$ 2,079
Transfer from General Fund	125	125	125
Milk Producers Security Fund	9	.....	.....
Prior Year Lapses	47	51	.....
Total Receipts	<u>2,380</u>	<u>2,263</u>	<u>2,204</u>
Funds Available	<u>\$ 2,999</u>	<u>\$ 3,438</u>	<u>\$ 3,600</u>
Expenditures:			
Appropriated	<u>\$ 1,824</u>	<u>\$ 2,042</u>	<u>\$ 2,466</u>
Estimated Expenditures	<u>-1,824</u>	<u>-2,042</u>	<u>-2,466</u>
Ending Balance	<u>\$ 1,175</u>	<u>\$ 1,396</u>	<u>\$ 1,134</u>

Summary by Department

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Estimated	1995-96 Budget
Treasury Department			
Replacement Checks .....	.....	\$ 5	\$ 5
Refund Milk Marketing Licenses and Fees .....	.....	5	5
DEPARTMENT TOTAL	<u>.....</u>	<u>\$ 10</u>	<u>\$ 10</u>
Milk Marketing Board			
General Government	\$ 1,690	\$ 1,907	\$ 2,331
TOTAL STATE FUNDS	<u>\$ 1,690</u>	<u>\$ 1,917</u>	<u>\$ 2,341</u>
Augmentations	\$ 134	\$ 125	\$ 125
FUND TOTAL	<u>\$ 1,824</u>	<u>\$ 2,042</u>	<u>\$ 2,466</u>

Milk Marketing Fund

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	1993-94 Actual	1994-95 Estimated	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
Licenses and Fees	\$ 2,070	\$ 2,025	\$ 2,022	\$ 2,022	\$ 2,022	\$ 2,022	\$ 2,022
Fines and Penalties	68	40	40	40	40	40	40
Miscellaneous Revenue	61	22	17	17	17	17	17
Total Milk Marketing Fund Revenues	\$ 2,199	\$ 2,087	\$ 2,079	\$ 2,079	\$ 2,079	\$ 2,079	\$ 2,079
Augmentations	\$ 134	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125
TOTAL MILK MARKETING FUND RECEIPTS	\$ 2,333	\$ 2,212	\$ 2,204	\$ 2,204	\$ 2,204	\$ 2,204	\$ 2,204

Revenue Sources

Licenses and Fees

Actual	(Dollar Amounts in Thousands)		Estimated
1988-89	\$ 604	1994-95	\$ 2,025
1989-90	897	1995-96	2,022
1990-91	1,178	1996-97	2,022
1991-92	1,299	1997-98	2,022
1992-93	2,053	1998-99	2,022
1993-94	2,070	1999-00	2,022

The Commonwealth receives revenues from licenses and fees collected annually by the Milk Marketing Board. A flat rate fee is based on the daily average number of pounds of milk handled by dealers and an additional fee, levied on milk for which the board fixes minimum prices, is based on the number of pounds of such milk sold by dealers. Additional license fees are for weighing and measuring permits, tester's certificates of proficiency, weigher's and sampler's certificates of proficiency and applications for examination. Act 135 of 1988 allows the Milk Marketing Board to set fees by regulation.

Fines and Penalties

Actual	(Dollar Amounts in Thousands)		Estimated
1988-89	\$ 47	1994-95	\$ 40
1989-90	25	1995-96	40
1990-91	19	1996-97	40
1991-92	61	1997-98	40
1992-93	92	1998-99	40
1993-94	68	1999-00	40

The Commonwealth receives revenue in the form of fines and penalties collected from milk dealers and other persons convicted of violating the Milk Marketing Law.

Miscellaneous Revenues

Actual	(Dollar Amounts in Thousands)		Estimated
1988-89	\$ 60	1994-95	\$ 22
1989-90	97	1995-96	17
1990-91	95	1996-97	17
1991-92	31	1997-98	17
1992-93	37	1998-99	17
1993-94	61	1999-00	17

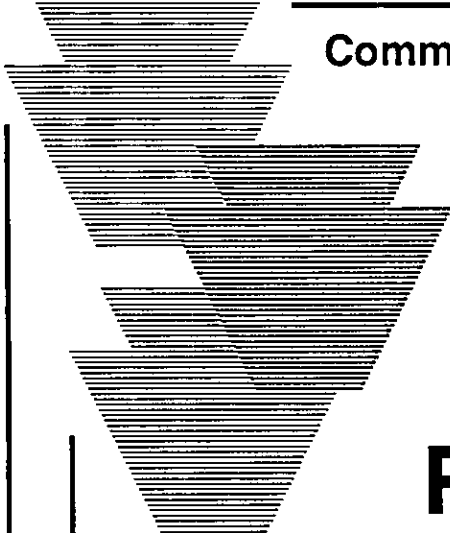
Miscellaneous revenues consist primarily of interest on securities and deposits, plus legal fees for transcripts of hearings.

Milk Marketing Fund

Revenue Detail

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

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Estimated	1995-96 Budget
Licenses and Fees			
Milk Dealers Licenses	\$ 1,429	\$ 1,412	\$ 1,409
Milk Testers Certificate Fees	4	4	4
Milk Weighers Certificate Fees	30	28	28
Milk Testers and Weighers Examination Fees	4	3	3
Milk Haulers Licenses Fees	560	535	535
Milk Sub Dealers Licenses	11	13	13
Service Contract Fees	32	30	30
TOTAL	<u>\$ 2,070</u>	<u>\$ 2,025</u>	<u>\$ 2,022</u>
 Fines and Penalties			
Milk Marketing Act Fines	\$ 68	\$ 40	\$ 40
TOTAL	<u>\$ 68</u>	<u>\$ 40</u>	<u>\$ 40</u>
 Miscellaneous Revenue			
Interest on Securities	\$ 58	\$ 20	\$ 15
Miscellaneous	3	2	2
TOTAL	<u>\$ 61</u>	<u>\$ 22</u>	<u>\$ 17</u>
TOTAL REVENUES	<u>\$ 2,199</u>	<u>\$ 2,087</u>	<u>\$ 2,079</u>
 Augmentations			
Transfer from General Fund	\$ 125	\$ 125	\$ 125
Milk Producers Security Fund	9	.	.
TOTAL	<u>\$ 134</u>	<u>\$ 125</u>	<u>\$ 125</u>
TOTAL RECEIPTS	<u>\$ 2,333</u>	<u>\$ 2,212</u>	<u>\$ 2,204</u>



Commonwealth of Pennsylvania

Racing Fund

The Racing Fund is a special revenue fund composed of monies received from taxes and license fees collected by the State Harness Racing Commission and the State Horse Racing Commission derived from the regulation of horse and harness racing. It provides for the operational needs of both commissions. Any remaining balance is transferred to the General Fund in the subsequent fiscal year.

Racing Fund

Financial Statement

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Estimated
Beginning Balance	\$ 958	\$ 4,609	\$ 5,484
Receipts:			
Revenue Estimate	\$ 11,235	\$ 12,939	\$ 14,028
Prior Year Lapses	69	.....	.....
Total Receipts	11,304	12,939	14,028
Funds Available	\$ 12,262	\$ 17,548	\$ 19,512
Expenditures:			
Appropriated	\$ 7,653	\$ 12,142	\$ 13,360
Less Current Year Lapses .....	.....	-78	.....
Estimated Expenditures	-7,653	-12,064	-13,360
Ending Balance	\$ 4,609	\$ 5,484	\$ 6,151

Summary by Department

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Estimated	1995-96 Budget
Treasury Department			
General Government			
Replacement Checks	\$ 1	\$ 10	\$ 10
Department of Agriculture			
General Government			
State Racing Commissions	\$ 5,404	\$ 6,089	\$ 6,311
Equine Toxicology and Research Laboratory	974	1,106	1,220
Payments to Pennsylvania Fairs — Administration	157	165	168
Subtotal	\$ 6,535	\$ 7,360	\$ 7,699
Grants and Subsidies			
Transfer to the General Fund	\$ 958	\$ 4,609	\$ 5,484
DEPARTMENT TOTAL	\$ 7,493	\$ 11,969	\$ 13,183
Department of Revenue			
General Government			
Collections — Racing	\$ 159	\$ 163	\$ 167
FUND TOTAL	\$ 7,653	\$ 12,142	\$ 13,360

Racing Fund

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	1993-94 Actual	1994-95 Estimated	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
Tax Revenues	\$ 8,918	\$ 9,766	\$ 10,880	\$ 10,880	\$ 10,880	\$ 10,880	\$ 10,880
Licenses and Fees	431	472	472	472	472	472	472
Miscellaneous Revenue	1,886	2,691	2,676	2,676	2,676	2,676	2,676
TOTAL RACING FUND REVENUES .	\$ 11,235	\$ 12,939	\$ 14,028	\$ 14,028	\$ 14,028	\$ 14,028	\$ 14,028

Revenue Sources

Tax Revenues

Actual	(Dollar Amounts in Thousands)	Estimated	
1988-89	\$ 5,916	1994-95	\$ 9,776
1989-90	5,479	1995-96	10,880
1990-91	6,879	1996-97	10,880
1991-92	6,884	1997-98	10,880
1992-93	5,463	1998-99	10,880
1993-94	8,918	1999-00	10,880

The Harness Racing Fund and the Horse Racing Fund were combined into the Racing Fund by Act 93 of 1983. Act 93 amended portions of the Race Horse Industry Reform Act. For licensed racing corporations annually conducting at least 100 days of racing or for two licensed corporations conducting their racing at the same facility with a minimum of 175 combined racing days, the previous sliding wagering tax rate was changed to a flat 3.8 percent effective January 1, 1984, decreasing to 2 percent effective July 1, 1984, and 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 2.5 percent from July 1, 1984 to June 30, 1986, and 2 percent thereafter. In addition, a 0.7 percent wagering tax was imposed on exotic wagering.

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

Licenses and fees

Actual	(Dollar Amounts in Thousands)	Estimated	
1988-89	\$ 528	1994-95	\$ 472
1989-90	503	1995-96	472
1990-91	530	1996-97	472
1991-92	515	1997-98	472
1992-93	491	1998-99	472
1993-94	431	1999-00	472

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.

Racing Fund

Revenue Sources (continued)

		Miscellaneous Revenue			
Actual	(Dollar Amounts in Thousands)		Estimated		
1988-89	\$	1,011	1994-95	\$	2,691
1989-90		1,202	1995-96		2,676
1990-91		1,323	1996-97		2,676
1991-92		1,360	1997-98		2,676
1992-93		1,580	1998-99		2,676
1993-94		1,886	1999-00		2,676

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 revenue available for Racing Fund appropriations and executive authorizations.


		(Dollar Amounts in Thousands)		
		1993-94 Actual	1994-95 Estimated	1995-96 Budget
Tax Revenue				
State Admission Tax	\$	145	153	153
Wagering Tax		7,936	8,839	9,915
Breakage Tax		837	784	812
TOTAL		<u>\$ 8,918</u>	<u>\$ 9,776</u>	<u>\$ 10,880</u>
Licenses and Fees				
License Fees	\$	431	472	472
TOTAL		<u>\$ 431</u>	<u>\$ 472</u>	<u>\$ 472</u>
Miscellaneous				
Uncashed Tickets	\$	1,741	2,280	2,280
Interest on Securities		136	390	390
Miscellaneous		1	1	1
Redeposit of Checks		8	15	.
Interest on Deposits		1	5	5
TOTAL		<u>\$ 1,886</u>	<u>\$ 2,691</u>	<u>\$ 2,676</u>
TOTAL REVENUES		<u>\$ 11,235</u>	<u>\$ 12,939</u>	<u>\$ 14,028</u>



Governor's Executive Budget

TAX

EXPENDITURES



Commonwealth of Pennsylvania

TAX EXPENDITURES

Tax credits, deductions, exemptions and exclusions are provided in law which result in a significant reduction in revenues that would otherwise be received at current tax rates. These reductions are tax expenditures.

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, limited or deleted based on merit. To augment the traditional budget process, this budget includes an analysis of indirect expenditures that occur through special treatment within the tax structure. Various tax credits, deductions, exemptions and exclusions are provided which result in a reduction in revenue that would otherwise be received by the Commonwealth at current tax rates. Cumulatively, they are referred to in this budget as "tax expenditures."

The Commonwealth's tax structure contains many tax expenditures. Examples include items as diverse as the Sales and Use Tax exemption for firewood to the manufacturing exemption in the Capital Stock/Franchise Tax. In general, they are characterized by the fact that they confer special treatment to specific taxpayers, specific activities, or specific goods or services. The expenditures listed in this budget are the accumulation of many prior legislative sessions, and the original intent of certain expenditures may no longer be valid or consistent with current policies. A comprehensive tax expenditure analysis permits an on-going evaluation of each tax expenditure.

Therefore, the 1995-96 Governor's Executive Budget presents this tax expenditure analysis. Commonwealth taxes with annual receipts of at least \$10 million are included in this analysis. A complete list 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) Allow for administration, legislative and public scrutiny and facilitate discussion on each tax expenditure's merits.

The following enhancements are being initiated in this budget analysis for expenditures in certain taxes as provided by Act 180 of 1992. Enhancements for the remaining tax areas will be phased in over the next three years:

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

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

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

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.

Tax Expenditure Analysis (continued)

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

Financial institutions and insurance companies are exempted from Corporate Net Income Tax (CNIT) and Capital Stock/Franchise Tax (CS/FT). However, these corporations are subject to alternative taxes: the Bank and Trust Company Shares Tax, Mutual Thrift Institutions Tax or Insurance Premiums Tax. The exemption of these corporations from the CNIT and CS/FT are not in themselves tax expenditures; however, to the extent that those taxes may not impose proportionate tax burdens on the exempted companies, the overall tax structure may involve some indirect tax expenditure.

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

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

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

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

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

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

General Fund Tax Expenditures

CORPORATION TAXES

CREDIT PROGRAMS

NEIGHBORHOOD ASSISTANCE PROGRAMS

Authorization: Act of November 29, 1967 (P.L. 636, No. 292).

Description: A tax credit is available to banks, thrift institutions, title insurance and trust companies, and insurance companies (other than foreign fire/casualty insurance companies), as well as corporations doing business in Pennsylvania and subject to the corporate net income tax and the capital stock/franchise tax that engage in certain assistance programs in impoverished areas or contribute to neighborhood organizations which provide such activities. The credit is allowed for neighborhood assistance, job training or education for individuals, community services, economic development or crime prevention in an impoverished area. The program must be approved by the Secretary of Community Affairs. The amount of the credit available to a taxpayer is up to 50 percent of the contribution to approved programs during the taxable year, but it may not exceed \$250,000. An expanded credit of 70 percent may be available for investments in certain priority programs defined by the Secretary of Community Affairs. The total amount of credits taken by all taxpayers can not exceed \$14,750,000 in any fiscal year, \$4,000,000 of which is exclusively reserved for private companies (as defined in Section 3 of the Pennsylvania Industrial Development Authority Act and Section 3 of the Industrial and Commercial Development Act) which make qualified investments to improve buildings or land located within designated enterprise zones. Also, \$2,000,000 in credits are allocated for the performance of comprehensive service projects effective July 1, 1994.

Purpose: This program encourages taxpayers to contribute to neighborhood organizations and engage in activities which promote community economic development in impoverished areas.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Corporate Net Income Tax						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 3.3	\$ 3.9	\$ 3.9	\$ 3.9	\$ 3.9	\$ 3.9	\$ 3.9
	Capital Stock/Franchise Tax						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 1.5	\$ 1.8	\$ 1.8	\$ 1.8	\$ 1.8	\$ 1.8	\$ 1.8
	Selective Business Taxes						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 7.5	\$ 8.5	\$ 8.5	\$ 8.5	\$ 8.5	\$ 8.5	\$ 8.5

General Fund Tax Expenditures

EMPLOYMENT INCENTIVE PAYMENTS

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

Description: Any bank, thrift institution, title insurance and trust company, or insurance company, as well as any corporation or person subject to the corporate net income tax or the personal income tax, employing persons formerly receiving welfare benefits may claim an employment incentive payment as credit against any tax liability in selected taxes. The credit is for a portion of wages paid to a qualifying employee in the first three years of employment. Employment incentive payments are available for employees hired up to December 30, 1999.

Purpose: This program provides tax relief to taxpayers that hire persons previously receiving aid to families with dependent children or classified as chronically or transitionally needy at the time of employment and reduces state aid payments to those individuals.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Corporate Taxes						
	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.3
	Personal Income Tax						
	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5

HOMEOWNERS' EMERGENCY MORTGAGE ASSISTANCE FUND

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

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

Purpose: This credit encourages businesses to contribute to a fund established to prevent mortgage foreclosures and distress sales of homes resulting from circumstances beyond a homeowner's control.

Estimates: There has been no application of credits during F.Y. 1985-86 through F.Y. 1993-94. Limited participation in this program, at best, is expected in the future.

General Fund Tax Expenditures

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 the Pennsylvania taxable income. Taxes based on income and certain tax items are added back to federal taxable income. The tax rate is 11.99 percent for tax year 1994; 10.99 percent for tax year 1995; 10.75 percent for tax year 1996 and 9.99 percent for tax years 1997 and thereafter.

Corporations are taxed on a separate-company basis for Pennsylvania purposes; therefore, corporations which file a consolidated federal return must start with the taxable income which would have been shown on a separate federal return to arrive at the Pennsylvania base. For corporations whose entire business is not transacted within Pennsylvania, the income base may be allocated and apportioned to determine the portion subject to Pennsylvania corporate net income tax. Nonbusiness income is directly allocated within or without Pennsylvania, and business income is usually apportioned by a three-factor formula computed on the basis of property, payroll and sales within and without Pennsylvania. Other apportionment methods may be applied if the three-factor formula does not fairly represent the extent of Pennsylvania activities.

The corporate net income tax expenditures listed below do not include any deductions, exemptions or types of special treatment which are reflected in Line 28 on the Federal IRS Form 1120 and have not been modified or adjusted by Pennsylvania statute.

FEDERAL JOBS CREDIT

Description: Corporations which claim a credit for "new jobs" or "targeted jobs" on their federal tax return must reduce their wage and salaries expense by the amount of credit to determine federal taxable income. For state income tax purposes, corporations may deduct wages and salaries disallowed as a federal deduction due to the employer taking the federal jobs credit.

Purpose: This deduction makes it possible for those corporations that took the federal wage credit to get the full deduction for wages and salaries expenses because no state benefit is derived from the federal jobs credit.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.2	\$ 1.2	\$ 1.2

DIVIDENDS PAID

Description: A public utility is allowed a deduction for dividends paid on non-participating cumulative preferred stock issued before October 1, 1942.

Purpose: This special deduction is pursuant to IRC Section 247 which retains the dividend deduction that was in effect at the time of the change in the federal code in 1942. It provides tax relief to public utilities and also benefits customers to the extent it is reflected in lower utility rates.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3

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 the tax liability.

Unused loss carryovers for the years 1988 through 1993, which were suspended by 1991 legislation, are authorized to be claimed in tax years beginning in 1995. Under the new NOL program, the loss deduction is capped at \$500,000 a year. The cap applies to the total of both suspended and new loss deductions. Suspended losses may be carried forward as follows: 1988 unused losses can be taken against TY 1995 profits; 1989 unused losses can be taken against TY 1995 and 1996 profits; and 1990 through 1993 unused losses can be taken against TY 1995 through 1997 profits.

Losses carried forward for subsequent years will be allowed as follows: 1994 losses can be taken against TY 1995 profits; 1995 losses can be taken against TY 1996 and 1997 profits; and 1996 and subsequent years losses can be taken for the three following tax years.

Purpose: This deduction reduces the tax burden for a period of time after an operating loss period thereby aiding a corporation which has returned to economic viability as measured by taxable income. This deduction encourages corporate investment in Pennsylvania.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 0.0	\$ 13.6	\$ 54.0	\$ 70.1	\$ 75.5	\$ 67.2	\$ 71.2

NONPROFIT CORPORATIONS

Description: Nonprofit corporations that do not have the authority to issue stock are exempt from the corporate net income tax. Pennsylvania nonprofit status is not dependent upon federal nonprofit status. Corporations having authority to issue capital stock and organized under the nonprofit corporation law of a state but not in fact nonprofit are taxable on federal taxable income. The definition of "corporation" precludes taxation of these nonprofit corporations.

Purpose: This exemption provides tax relief to nonprofit corporations including religious, charitable, educational and scientific organizations which are perceived as providing social benefit.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	NA	NA	NA	NA	NA	NA	NA

PENNSYLVANIA S CORPORATIONS

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

Purpose: S corporations are often small, closely-held corporations and are believed to be major job creators. This exemption provides an incentive for their existence within the Commonwealth.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 291.0	\$ 297.0	\$ 315.7	\$ 301.1	\$ 291.8	\$ 309.5	\$ 327.8

General Fund Tax Expenditures

CAPITAL STOCK/FRANCHISE TAX

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

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

The capital stock and franchise taxes are based on capital stock value which is defined as half of the sum of the average net income capitalized at the rate of 9.5 percent plus 75 percent of the net worth, less \$75,000. Beginning with the 1992 tax year the tax rate is 12.75 mills, with 0.5 mills designated to the Hazardous Sites Cleanup Fund. The Lottery Fund portion of 0.25 mill expired with 1991 tax year. The estimates in this analysis include only the 12.25 mills, General Fund portion of the tax. Act 22-1991 established a minimum tax of \$300 for tax years beginning in 1991 and thereafter.

Various types of assets are exempt from tax. The valuation of capital stock is not affected by these exemptions, but the exemptions are reflected in apportionment formulas used to compute the percentage of the capital stock value base actually subject to tax.

NONPROFIT CORPORATIONS

Description: Nonprofit corporations without capital stock are exempt from the capital stock/franchise tax. This includes Corporations of the First Class formed under the Corporation Act of April 29, 1974 and corporations organized or created by or under the nonprofit corporation laws of Pennsylvania or any other state which are in fact nonprofit corporations. Nonprofit corporations which issue capital stock must file a report and make tax payments.

Purpose: This exemption provides tax relief to nonprofit corporations including religious, charitable, educational and scientific organizations which are perceived as providing social benefits.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	NA	NA	NA	NA	NA	NA	NA

FAMILY FARM CORPORATIONS

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

Purpose: This exemption provides tax relief to family farm corporations thereby recognizing the importance of the family-owned farms.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5

General Fund Tax Expenditures

ASSETS USED IN MANUFACTURING, PROCESSING, AND RESEARCH AND DEVELOPMENT

Description: Corporations (except those which enjoy the right of eminent domain, i.e., utilities) organized for manufacturing, processing, or research or development purposes may claim an exemption for capital stock invested in such activities within Pennsylvania. Pollution control assets are included for these corporations. This exemption is reflected in computing the percentage of the capital stock value actually subject to tax and applies to both single-factor and three-factor apportionment.

Purpose: This exemption encourages investment in manufacturing, processing, and research and development activities which improves the Commonwealth's economic position.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 486.9	\$ 505.3	\$ 534.4	\$ 556.3	\$ 573.1	\$ 587.7	\$ 603.2

APPORTIONMENT FORMULA OPTIONS

Description: Corporations which have multistate operations have the option of using either a single-factor or a three-factor formula to compute the portion of the capital stock value that is subject to tax. The single-factor formula is based on the ratio of the book value of taxable assets to book value of total assets. The three-factor formula is based on property, payroll, and sales within and without Pennsylvania. Historically, only domestic corporations were permitted to choose the single-factor apportionment method until the Pennsylvania Supreme Court ruled that foreign corporations must be allowed the same option. These estimates measure the difference between the tax on capital stock value apportioned using three-factor apportionment for those corporations choosing the single-factor method and able to use the three-factor method.

Purpose: This option provides tax relief to those corporations with considerable tangible investment in the Commonwealth and thereby encourages corporate investment in Pennsylvania.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 35.1	\$ 35.8	\$ 37.4	\$ 39.5	\$ 41.1	\$ 43.1	\$ 45.8

POLLUTION CONTROL DEVICES

Description: Equipment, machinery, facilities and other tangible property used during the tax year within Pennsylvania for water or air pollution control or abatement devices utilized for the benefit of the general public are exempt from the capital stock/franchise tax. This exemption is reflected as an exclusion from the numerator of the single asset apportionment fraction or the numerator of the property factor when the three-factor apportionment formula is used. However, for manufacturing, processing, or research and development corporations these assets are included as exempt equipment and shown in the expenditure for assets used in manufacturing, processing, and research and development.

Purpose: This exemption provides tax relief to corporations required to install pollution control devices and encourages investment in pollution control assets.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 29.1	\$ 32.6	\$ 36.5	\$ 40.8	\$ 45.7	\$ 51.1	\$ 57.2

General Fund Tax Expenditures

DEDUCTION FROM THE FIXED FORMULA

Description: For tax years beginning in 1994 and thereafter, corporations may deduct \$75,000 from the capital stock value which is then subject to apportionment to determine the taxable base. For the three years prior to 1994 this deduction was \$50,000.

Purpose: This exemption provides a tax-free portion of capital stock value for corporations, particularly beneficial to new businesses which realize little or no profits during their early years.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 27.3	\$ 28.3	\$ 29.3	\$ 30.4	\$ 31.5	\$ 32.6	\$ 33.8

HOLDING COMPANIES

Description: Holding companies may elect, in lieu of a standard apportionment formula, a special apportionment formula which computes the taxable portion of capital stock value by taking 10 percent of the total capital stock value. The single-factor apportionment formula was used as the standard apportionment formula in the estimating process. Holding companies are corporations (1) which derive at least 90 percent of their income from stock or securities and the rendering of administrative or management services to subsidiary corporations and (2) whose assets are at least 60 percent comprised of securities or indebtedness of subsidiary corporations.

Purpose: This special treatment is intended to provide tax relief to those holding companies with considerable intangible assets that otherwise are not exempt under the single assets apportionment fraction.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 13.2	\$ 13.8	\$ 14.6	\$ 15.5	\$ 16.5	\$ 17.5	\$ 18.5

REGULATED INVESTMENT COMPANIES

Description: Regulated investment companies are subject to special valuation for capital stock/franchise tax purposes. Their tax is computed by adding the net asset value (multiplied by \$75 and divided by one million) and the apportioned undistributed personal income tax income (multiplied by the personal income tax rate). Undistributed personal income is apportioned to Pennsylvania by a fraction, the numerator of which is all income distributed during the taxable year to resident shareholders and the denominator of which is all income distributed to all shareholders.

Purpose: Regulated investment companies are corporations which derive at least 90 percent of their income from dividends, interest, and gains on disposition of stock and securities. This special treatment provides tax relief to these companies thereby allowing them to earn higher rates of return on their investments which, in turn, are passed on to their shareholders. The higher earnings rates may result in higher investment in the economy which is channeled through these companies.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 13.3	\$ 15.7	\$ 17.7	\$ 19.7	\$ 21.4	\$ 22.8	\$ 24.5

General Fund Tax Expenditures

UTILITY GROSS RECEIPTS TAX

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

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

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

Motor carrier vehicles engaged in carrying passengers or property for hire are not taxed under the provisions of the Tax Reform Code of 1971, but are subject to the motor carriers gross receipts tax imposed by the Act of June 22, 1931. (P.L. 694, No. 255).

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 estimates below are based on a 44 mill tax rate for electric utilities through the forecast period.

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>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 83.7	\$ 86.6	\$ 88.8	\$ 91.7	\$ 94.9	\$ 98.1	\$ 101.4

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>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	NA	NA	NA	NA	NA	NA	NA

General Fund Tax Expenditures

RAILROAD CREDIT

Description: Railroad companies may claim a credit against the gross receipts tax for maintenance and improvement of rights-of-way. The credit equals 25 percent of the amount spent in Pennsylvania during each calendar year and is applied to the calendar year following the expenditure of funds. The credit cannot exceed the amount of tax due and the total expenditure for which the credit is granted must be at least twice that of the prior year's expenditure. The credit is not applicable after tax year 1997.

Purpose: This program encourages investment in ties, rails, communications systems, power transmission systems and other track materials necessary to provide an efficient rail transportation network that improves the economic condition of the Commonwealth.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 7.7	\$ 7.8	\$ 8.0	\$ 8.3	\$ 0.8	....	....

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 is imposed on public utilities furnishing services under the jurisdiction of the Pennsylvania Public Utility Commission or a regulatory body of another state or the United States.

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

The Commonwealth imposes this tax on public utility realty in lieu of local real estate taxes and distributes revenue to local taxing authorities based on the realty tax equivalent.

PROPERTY SUBJECT TO LOCAL TAXATION

Description: Property subject to local real estate taxation under any law in effect on April 23, 1968 is excluded from the PURTA base.

Purpose: The Constitution of Pennsylvania was amended April 23, 1968 to provide for state taxation of public utility realty property; however, any law in effect which subjected real property of a public utility to local real estate taxation was left in full force. This exemption prevents the double taxation of such property.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 11.3	\$ 11.3	\$ 11.7	\$ 11.6	\$ 11.7	\$ 11.7	\$ 11.8

MACHINERY AND EQUIPMENT

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 792.5	\$ 773.1	\$ 806.4	\$ 793.9	\$ 802.7	\$ 807.7	\$ 812.8

General Fund Tax Expenditures

EASEMENTS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 9.8	\$ 9.6	\$ 10.0	\$ 9.8	\$ 9.9	\$ 10.0	\$ 10.1

RAILROAD RIGHTS-OF-WAY

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 24.9	\$ 25.7	\$ 26.5	\$ 27.4	\$ 28.3	\$ 29.2	\$ 30.1

LINES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 297.4	\$ 307.2	\$ 319.4	\$ 322.5	\$ 322.7	\$ 325.7	\$ 328.7

HYDROELECTRIC PROPERTY

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	NA	NA	NA	NA	NA	NA	NA

General Fund Tax Expenditures

SEWAGE SERVICES

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

Purpose: This provides tax relief to companies that are in the business of sewage treatment and encourages investment in sewage treatment facilities which provide public environmental benefits. It also benefits consumers to the extent the tax relief is reflected in lower utility rates.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 21.8	\$ 24.2	\$ 25.5	\$ 26.2	\$ 25.7	\$ 25.9	\$ 26.0

MUNICIPALITIES

Description: Municipalities or municipal authorities furnishing public utility services are exempt from tax.

Purpose: The realty used for municipally furnished utility services is public property used for public purposes. Moreover, taxing such property would result in the municipal government paying itself a tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 17.0	\$ 17.3	\$ 17.5	\$ 17.4	\$ 17.6	\$ 17.7	\$ 17.8

General Fund Tax Expenditures

INSURANCE PREMIUMS TAX

Authorization: Article XI 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 which transact business in Pennsylvania. Certain insurance companies are exempt from the tax.

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

The basic tax rate is 2 percent of gross premiums and annuity considerations 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 that would be received from all domestic insurance companies and foreign life insurance companies, and only the retaliatory charges that would be received from the foreign fire and casualty insurance companies.

ADMINISTRATIVE COSTS: The costs of administering the tax expenditures associated with the Insurance Premiums Tax are nominal.

MUTUAL BENEFICIAL ASSOCIATIONS

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

Purpose: Mutual beneficial associations are charitable and benevolent organizations which provide life, accident and health benefits for their members. The exemption indirectly benefits subscribers to the extent that it is reflected in reduced premiums.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 7.3	\$ 8.3	\$ 9.5	\$ 10.8	\$ 12.3	\$ 14.0	\$ 16.0

NONPROFIT HOSPITAL AND MEDICAL CARE SERVICE ORGANIZATIONS

Description: Companies organized under the "Nonprofit Hospital Plan Act" (Act of June 21, 1937, P.L. 1948, No. 378) and the "Nonprofit Medical, Osteopathic, Dental and Podiatry Service Corporation Act" (Act of June 27, 1939, P.L. 1125, No. 399) are exempt from the insurance premiums tax. Those exempt include, for example, Capital Blue Cross; Hospital Service Association of Northeastern Pennsylvania; Good Vision Plan, Inc., Medical Service Association of Pennsylvania. (Blue Shield), Pennsylvania Dental Service Corp., and Vision Service Plan of Pennsylvania. For purposes of this tax expenditure analysis, health maintenance organizations are not included because they are not considered to be insurance companies so as to be subject to the insurance premiums tax, but rather are held to be corporations and as such are subject to corporate taxation.

Purpose: These companies are deemed to be charitable and benevolent institutions which provide hospital and/or medical care to their subscribers. The exemption provides indirect tax relief to subscribers to the extent that it is reflected in lower premiums.

Beneficiaries: Ten Nonprofit Hospital and Medical Care Service Organizations doing business in Pennsylvania benefit from this expenditure.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 182.0	\$ 198.4	\$ 216.2	\$ 235.7	\$ 265.9	\$ 280.0	\$ 305.2

General Fund Tax Expenditures

EXTRAORDINARY MEDICAL BENEFIT

Authorization: Act 4 of 1989 (Approved April 26, 1989).

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

Purpose: This exemption benefits private insurance companies which 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.

Beneficiaries: 442 Automobile Insurance Companies doing business in Pennsylvania could benefit from this expenditure.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 0.3	\$ 0.4	\$ 0.4	\$ 0.5	\$ 0.5	\$ 0.6	\$ 0.6

LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION CREDIT

Authorization: Act of November 26, 1978 (P.L. 1188, No. 280).

Description: A tax credit is available to companies that are members of the Life and Health Insurance Guaranty Association. These companies may offset a proportionate part of assessments made by the association against the insurance premiums tax. The companies may also raise premium rates to recoup the portion of the assessment that is unrecoverable via the credit. This could result in an increase in insurance premiums tax revenue.

Purpose: The Life and Health Insurance Guaranty Association protects policyholders and claimants by providing for the payment of benefits and the continuation of coverage under life, health and accident, and annuity policies under certain circumstances. Members are assessed to provide funds to carry out the purpose of the association. This credit provides relief to member companies by allowing them to recoup a portion of their assessment obligation in the form of a tax credit. This credit also provides indirect relief to subscribers to the extent that lower premium rates are maintained.

Beneficiaries: The 993 Life and Accident and Health Insurance Companies doing business in Pennsylvania could benefit from this expenditure.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 4.4	\$ 5.1	\$ 10.1	\$ 15.0	\$ 11.6	\$ 10.6	\$ 9.9

General Fund Tax Expenditures

ANNUITIES FUNDING QUALIFIED OR EXEMPT PENSIONS

Authorization: Act 22 of 1991 (Approved August 4, 1992).

Description: Annuity considerations received in connection with the funding of a pension qualified or exempt under sections 401, 403, 404, 408, 457, or 501 of the Internal Revenue Code are not taxable under Article IX.

Purpose: This exemption benefits insurance companies that provide certain annuities. This exemption also indirectly benefits subscribers to the extent that it is reflected in reduced premiums.

Beneficiaries: The 381 Insurance Companies writing annuity considerations in Pennsylvania could benefit from this expenditure.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 103.4	\$ 113.7	\$ 125.0	\$ 137.4	\$ 151.0	\$ 166.0	\$ 182.5

BANK AND TRUST COMPANY SHARES TAX

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

The Bank and Trust Company Shares Tax is imposed on every bank and trust company having capital stock and doing business in Pennsylvania.

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

The Bank and Trust Company Shares tax contains no expenditures as defined for this tax expenditure analysis.

General Fund Tax Expenditures

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, savings and loan associations, and building and loan associations conducting business in Pennsylvania.

For tax years beginning after 1986, the tax is based on net income determined in accordance with generally accepted accounting principals with the following major exceptions: income earned from United States obligations or Pennsylvania state and local obligations is excluded; the interest expense associated with tax exempt interest income is disallowed as a deduction; and net operating losses from previous years may be carried forward for a maximum of three years. Taxable net income is apportioned to Pennsylvania by a three-factor formula comprised of payroll, receipts and deposits.

The tax rate is 11.5 percent for 1992 and thereafter.

ADMINISTRATIVE COSTS: The costs of administering the tax expenditures associated with the Mutual Thrift Institutions Tax are nominal.

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.

Beneficiaries: The 262 Mutual Thrift Companies could benefit from this expenditure.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 3.0	\$ 3.3	\$ 3.4	\$ 3.4	\$ 3.8	\$ 4.0	\$ 4.1

CREDIT UNIONS

Authorization: Act of September 20, 1961 (P.L. 1548, No. 658).

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.

Beneficiaries: The 992 State and Federal Credit Unions operating in Pennsylvania benefit from this expenditure.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 11.3	\$ 13.0	\$ 14.8	\$ 16.9	\$ 19.4	\$ 22.1	\$ 25.2

General Fund Tax Expenditures

SALES AND USE TAX

Authorization: The Sales and Use Tax was first enacted by the Act of March 6, 1956, (P.L. 1228) effective March 7, 1956. That act was repealed by the Act of March 4, 1971, (P.L. 6, No. 2) which enacted a new Sales and Use Tax Law cited as Article II, Tax for Education, of the Tax Reform Code of 1971.

Administrative Costs: Costs incurred to administer the multiple tax expenditures associated with the Sales and Use Tax can not be separately identified. Tax expenditures are a significant factor associated with the need for compliance audits and contribute significantly to the tax appeals process administered by the Department of Revenue.

(Dollar Amounts in Millions)

Estimates:	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 12.1	\$ 12.4	\$ 12.6	\$ 12.9	\$ 13.1	\$ 13.3	\$ 13.5

Beneficiaries: Information provided under the Sales and Use Tax "Beneficiaries" heading represent an actual or estimated number and description of Pennsylvania residents, households or businesses benefiting from that specific tax expenditure. An unreported number of non-Pennsylvania entities may also benefit from the tax expenditure.

GENERAL/PERSONAL EXPENDITURES

FOOD

Description: Food and beverages intended for human consumption purchased from a bakery, pastry shop, donut shop, delicatessen, grocery store, supermarket, farmer's market or convenience store are exempt from taxation. Exceptions are the sale of meals, sandwiches, food from salad bars, hand-dipped or hand-served iced based products including ice cream and yogurt, hot soup, hot pizza and other hot food items, brewed coffee and hot beverages. The exemption does not apply to soft drinks, alcoholic beverages or food purchased from an establishment from which ready to eat food and beverages are sold.

Purpose: Food is considered to be a basic necessity of life. Additionally, this provision reduces the regressive nature of the tax and eases the tax burden on families who use a disproportionate share of income on these products.

(Dollar Amounts in Millions)

Estimates:	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 1,062.0	\$ 1,124.0	\$ 1,191.0	\$ 1,259.0	\$ 1,327.0	\$ 1,397.0	\$ 1,474.0

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

PERSONAL HYGIENE PRODUCTS

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

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

(Dollar Amounts in Millions)

Estimates:	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 34.8	\$ 35.9	\$ 37.0	\$ 38.1	\$ 39.3	\$ 40.5	\$ 41.8

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

General Fund Tax Expenditures

NEWSPAPERS

Description: The purchase or use of newspapers or publications containing information of general interest and reports of current events which qualify as a "newspaper of general circulation qualified to carry a legal advertisement," not including magazines, is exempt from taxation.

Purpose: The intent of this tax exemption is to encourage the citizenry to be well informed.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 24.4	\$ 25.6	\$ 26.8	\$ 28.1	\$ 29.4	\$ 30.8	\$ 32.3

Beneficiaries: NA

MAGAZINES

Description: The purchase at retail or use of subscriptions for magazines is exempt from taxation. A "magazine" is a periodical published at regular intervals not exceeding three months and circulated among the general public. The exclusion includes any printed advertising material circulated with the periodical. This tax expenditure became effective July 1, 1994 under Act 48-1994.

Purpose: The purpose of this tax exemption is to encourage the citizenry to be well informed.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$	\$ 4.8	\$ 5.5	\$ 6.0	\$ 6.4	\$ 6.9	\$ 7.3

Beneficiaries: Approximately 570,000 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. Accessories, ornamental wear, formal day or evening apparel, furs and sporting goods are taxable.

Purpose: Clothing and footwear are considered essential for maintaining a basic standard of life. This provision reduces the regressive nature of the tax and eases the tax burden on families who use a disproportionate share of income purchasing these products.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 662.6	\$ 697.1	\$ 734.0	\$ 767.8	\$ 796.2	\$ 827.3	\$ 859.6

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

General Fund Tax Expenditures

AMUSEMENT DEVICES

Description: Expenditures to play amusement devices are not rentals and therefore not taxable. Examples of such devices are flipper games, video games, pool tables, soccer tables, arcade games and kiddie rides.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 23.7	\$ 23.4	\$ 23.1	\$ 22.8	\$ 22.5	\$ 22.2	\$ 21.9

Beneficiaries: Approximately 2 million persons may benefit from this tax expenditure.

PRESCRIPTION DRUGS AND ORTHOPEDIC EQUIPMENT

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

Purpose: Prescription drugs and orthopedic equipment are considered essential for maintaining life. This provision reduces the regressive nature of the tax and eases the tax burden on families who must spend a disproportionate share of income on these products.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 230.9	\$ 242.7	\$ 255.0	\$ 268.1	\$ 281.7	\$ 296.1	\$ 311.2

Beneficiaries: NA

NON-PRESCRIPTION DRUGS

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

Purpose: Non-prescription drugs are considered essential for maintaining a basic standard of life. This provision reduces the regressive nature of the tax and eases the tax burden on families who use a disproportionate share of income on these products.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 89.5	\$ 94.1	\$ 98.9	\$ 104.0	\$ 109.3	\$ 114.8	\$ 120.7

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

General Fund Tax Expenditures

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>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 114.2	\$ 116.8	\$ 121.2	\$ 126.2	\$ 131.1	\$ 136.1	\$ 141.0

Beneficiaries: Approximately 5.9 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 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>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 8.0	\$ 8.4	\$ 8.8	\$ 9.2	\$ 9.7	\$ 10.2	\$ 10.8

Beneficiaries: Approximately 5.2 million consumers and 372,000 non-residential establishments benefit from this tax expenditure.

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>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

General Fund Tax Expenditures

BIBLES, RELIGIOUS PUBLICATIONS, ARTICLES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.8	\$ 0.8	\$ 0.8

Beneficiaries: Approximately 375,000 households and a minimum of 20,000 organizations benefit from this tax expenditure.

CASKETS AND BURIAL VAULTS

Description: The purchase or use of caskets, burial vaults, markers and tombstones to be used for human remains and graves is exempt from taxation.

Purpose: These items are considered to be the final basic necessity of life. Additionally, this exemption reduces the regressive nature of the tax and eases the burden on low income families.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 16.1	\$ 17.0	\$ 18.0	\$ 19.0	\$ 20.0	\$ 21.1	\$ 22.3

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

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>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

General Fund Tax Expenditures

TEXTBOOKS

Description: The purchase or use of textbooks for use in schools, colleges and universities is exempt from taxation. The purchase must be on behalf of or through schools recognized by the Department of Education as institutions of learning.

Purpose: The education of the Commonwealth's citizenry is a major policy objective of state government. This exemption helps to reduce the overall cost of obtaining an education.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 15.4	\$ 15.9	\$ 16.3	\$ 16.8	\$ 17.3	\$ 17.9	\$ 18.4

Beneficiaries: Approximately 530,000 college students, 501 public school districts and about 990 private schools benefit from this tax expenditure.

CATALOGS AND DIRECT MAIL ADVERTISING

Description: The purchase of a mail order catalog or direct mail advertising literature or material is exempt from taxation.

Purpose: The purchase of these items may be perceived as an information service because the tangible nature of the document is incidental to the information being provided.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

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>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 3.0	\$ 3.2	\$ 3.4	\$ 3.7	\$ 4.0	\$ 4.2	\$ 4.6

Beneficiaries: Approximately 420,000 households benefit from this tax expenditure.

General Fund Tax Expenditures

GRATUITIES

Description: Any amount paid, in excess of charges and tax, for service relating to the purchase of food or beverages or hotel or motel accommodations is an exempt gratuity.

Purpose: Gratuities or tips are not included in the cost of the meal or accommodation acquired by the purchaser but are considered costs of accompanying non-taxable services.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 35.7	\$ 37.7	\$ 39.8	\$ 42.0	\$ 44.4	\$ 46.9	\$ 49.5

Beneficiaries: Approximately 3.8 million households benefit from this tax expenditure.

FUELS AND UTILITIES

RESIDENTIAL FUEL

Description: As defined by law, "tangible personal property" specifies taxable items. Specifically omitted from this definition are steam, natural, manufactured and bottled gas, and fuel oil when purchased directly by the user solely for his residential use. Court decisions have expanded this exemption to include purchases for residential use, through an agent, where there is no commercial interest.

Purpose: Residential fuel is considered essential for maintaining a basic standard of life. Additionally, this provision reduces the regressive nature of the tax on low and moderate income families.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 160.9	\$ 166.9	\$ 176.4	\$ 186.6	\$ 197.3	\$ 208.6	\$ 220.5

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

COAL

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 156.4	\$ 153.6	\$ 150.8	\$ 148.1	\$ 145.4	\$ 142.8	\$ 140.3

Beneficiaries: Approximately 240,000 households and 15,000 non-residential establishments benefit from this tax expenditure.

General Fund Tax Expenditures

FIREWOOD

Description: The purchase or use of firewood cut into lengths for burning and used as fuel for cooking or for heating water or residential dwellings is exempt from taxation.

Purpose: Alternative energy sources such as heating oil, natural gas, coal and electricity are exempt when used for residential purposes. The extension of this exemption to firewood provided consistency among all major energy sources.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.8

Beneficiaries: Approximately 300,000 households, which use firewood as their primary heat source, benefit from this tax expenditure. Also, there are over 1 million households with usable fireplaces which may benefit from this tax expenditure.

RESIDENTIAL UTILITIES

Description: As defined by law, "tangible personal property" specifies taxable items. Specifically omitted from this definition are electricity and basic local telephone or telegraph service when purchased directly by the user solely for his residential use. Court decisions have expanded the electricity exemption to include purchases for residential use, through an agent, where there is no commercial interest.

Purpose: Residential utilities are considered essential for maintaining a basic standard of life. Additionally, this provision reduces the regressive nature of the tax and reduces the tax burden on families who use a disproportionate share of income on these services.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Electric:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 237.2	\$ 242.4	\$ 248.2	\$ 256.4	\$ 267.2	\$ 281.1	\$ 297.7
<i>Estimates:</i>	Telephone:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 85.5	\$ 90.2	\$ 95.3	\$ 100.1	\$ 104.6	\$ 109.3	\$ 114.4

Beneficiaries: Approximately 4.5 million households (electricity) and 4.4 million households (telephone) benefit from this tax expenditure.

WATER

Description: The purchase at retail or use of water or ice is exempt from taxation.

Purpose: Water is a basic necessity of life. Additionally, this provision reduces the regressive nature of the tax and reduces the tax burden on families who use a disproportionate share of income on this product.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 83.3	\$ 88.3	\$ 93.7	\$ 99.0	\$ 104.1	\$ 109.4	\$ 115.4

Beneficiaries: Approximately 3.9 million households and about 230,000 businesses benefit from this tax expenditure.

General Fund Tax Expenditures

GASOLINE AND MOTOR FUELS

Description: The purchase or use of gasoline and other motor fuels, taxed under the Liquid Fuels Tax Act or the Fuel Use Tax Act, is exempt from the Sales and Use Tax.

Purpose: Because these items are already subject to fuels taxes, the legislature has provided for their exemption from the Sales and Use Tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 385.4	\$ 387.2	\$ 388.6	\$ 390.1	\$ 391.6	\$ 393.1	\$ 394.6

Beneficiaries: Approximately 4.3 million households and owners of more than a million heavy trucks, buses, etc., benefit from this tax expenditure.

MOTOR VEHICLES / VESSELS

COMMON CARRIERS

Description: Vehicles purchased by a public utility, engaged in business as a common carrier, to be used in rendering utility services are exempt from taxation.

Purpose: Without this exemption, the tax would be built into the rate base of public utility services and, ultimately, passed on to consumers. Therefore, this exemption reduces the overall cost of utility services which are considered to be basic necessities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 58.5	\$ 60.7	\$ 63.0	\$ 65.4	\$ 67.9	\$ 70.5	\$ 73.2

Beneficiaries: Approximately 3,000 common carriers benefit from this tax expenditure.

COMMERCIAL VESSELS (Construction)

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 0.8	\$ 0.8	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.6

Beneficiaries: NA

General Fund Tax Expenditures

COMMERCIAL VESSELS (Repair)

Description: Property or services purchased or used in building, rebuilding, repairing and making additions to or replacements in commercial vessels of fifty tons or more are exempt from taxation.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 0.8	\$ 0.8	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.6

Beneficiaries: Approximately 12 establishments may benefit from this tax expenditure.

COMMERCIAL VESSELS (Equipment, Maintenance)

Description: The purchase or use of fuel, supplies, equipment, ships' or sea stores and cleaning or maintenance supplies is exempt from taxation. This exemption applies to vessels of fifty tons or more designed for commercial use.

Purpose: Imposition of the tax at the point of sale would place Pennsylvania vendors at a competitive disadvantage relative to those vendors operating in other states which allow this exemption.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

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>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

General Fund Tax Expenditures

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>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 14.1	\$ 15.1	\$ 16.1	\$ 17.2	\$ 18.3	\$ 19.6	\$ 20.9

Beneficiaries: Approximately 900 private contractors and 501 school districts benefit from this tax expenditure.

ZERO EMISSION VEHICLES

Description: The net purchase price of electric, hybrid electric and zero emission vehicles is exempt from taxation. Net purchase price is the difference between the purchase price of such vehicle and the average retail price of a comparable combustion engine vehicle. The purchase of power units for such vehicles is also exempt. These exemptions expire December 31, 1999.

Purpose: This provision is intended to promote the use of reduced-pollution transportation.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	NA	NA	NA	NA	NA	NA	NA

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

REAL ESTATE

REAL ESTATE

Description: A person constructing, repairing, or altering real estate, or applying or installing personal property as a repair or replacement part of real estate is not making a taxable "sale at retail." Also, the person obtaining such services is not making a taxable "use" of such personal property or services. Materials and supplies consumed by the persons providing these services are taxable.

Purpose: Generally, construction and repairs are nontaxable because they do not directly involve the sale or use of tangible personal property.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 648.9	\$ 693.0	\$ 760.2	\$ 776.9	\$ 791.7	\$ 813.1	\$ 847.3

Beneficiaries: Approximately 1.4 million households and owners of 85,000 non-residential buildings benefit from this tax expenditure.

General Fund Tax Expenditures

PRODUCTION EXPENDITURES

MANUFACTURING EXEMPTION (Manufacture and Processing)

Description: By law, "sale at retail" does not include, and therefore exempts, rendering services or the purchase or use of machinery, equipment and parts and supplies including utilities used directly or consumed in the manufacture and processing of personal property or remanufacture of certain motor vehicle parts. This exemption does not apply to motor vehicles, maintenance facilities, managerial or other nonoperational activities or materials, supplies or equipment used relative to real estate or obtaining disinfecting or pest control services, building maintenance and cleaning services or certain computer services.

Purpose: Exemption of manufacturing equipment and supplies prevents the multiple taxation which could occur in the production of a finished good for consumption. Were these items not exempt, this additional cost would be passed through to the ultimate consumer.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 670.3	\$ 725.8	\$ 769.8	\$ 807.1	\$ 834.0	\$ 858.8	\$ 885.9

Beneficiaries: Approximately 29,000 manufacturers and an unknown number of processors and remanufacturers benefit from this tax expenditure.

MANUFACTURING EXEMPTION (Agriculture)

Description: By law, "sale at retail" does not include, and therefore exempts, rendering services or the purchase or use of machinery, equipment and parts and supplies including utilities used directly or consumed in farming, dairying, horticulture, floriculture or aquaculture. This exemption does not apply to motor vehicles, maintenance facilities, managerial or other nonoperational activities or materials, supplies or equipment used relative to real estate or building maintenance and cleaning services or certain computer services.

Purpose: Exemption of agricultural equipment and supplies prevents the multiple taxation which could occur in the production of an agricultural commodity for 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>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 102.7	\$ 103.9	\$ 105.2	\$ 106.5	\$ 107.8	\$ 109.1	\$ 110.5

Beneficiaries: Approximately 52,000 farm operators benefit from this tax expenditure.

General Fund Tax Expenditures

MANUFACTURING EXEMPTION (Public Utility)

Description: By law, "sale at retail" does not include, and therefore exempts, the cost of services or the purchase or use of machinery, equipment and parts and supplies used directly or consumed in producing, delivering or rendering a public utility service. This exemption does not apply to motor vehicles (except those used as common carriers), maintenance facilities, managerial or other nonoperational activities or materials, supplies or equipment used relative to real estate or obtaining disinfecting or pest control services, building maintenance and cleaning services or certain computer services.

Purpose: Exemption of equipment and supplies used in producing and delivering a public utility service prevents the multiple taxation which could occur in providing the service. Were these items not exempt, this additional cost would be passed through to the ultimate consumer.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Approximately 2,000 public utilities 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.

Machinery and equipment have been exempt since the tax was first enacted. Act #202 — 1980 extended the exemption to include foundations for these items.

Purpose: Exemption of foundations for manufacturing equipment prevents the multiple taxation which could occur in the production of a finished good for consumption. Were these items not exempt, this additional cost would be passed through to the ultimate consumer.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 1.6	\$ 1.8	\$ 1.9	\$ 2.0	\$ 2.1	\$ 2.2	\$ 2.3

Beneficiaries: Approximately 83,000 entities benefit from this tax expenditure.

General Fund Tax Expenditures

OTHER

COIN OPERATED FOOD AND BEVERAGE VENDING MACHINES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.7	\$ 0.7	\$ 0.7

Beneficiaries: Approximately 4.2 million people benefit from this tax expenditure.

HOTEL-PERMANENT RESIDENT

Description: An exemption is provided, under the Hotel Occupancy Tax, for a person occupying or having the right to occupy a room in a hotel, inn, tourist home, lodging house, rooming house, summer camp, apartment hotel, resort lodging or cabin for 30 consecutive days or more. This exemption does not extend to prepared meals or other taxable items.

Purpose: Residency of this length is felt to approximate permanent dwelling rental, which is non-taxable as a basic necessity of life.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3

Beneficiaries: Approximately 4,400 persons benefit from this tax expenditure.

COMMISSION

Description: A licensed vendor is permitted a 1% discount as a credit against the gross amount of tax collected provided that a tax return, with 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>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 40.4	\$ 45.5	\$ 48.2	\$ 50.8	\$ 53.6	\$ 56.3	\$ 59.2

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

General Fund Tax Expenditures

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>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

TRADE-IN VALUE

Description: A deduction is allowed against the gross purchase price for the value of personal property actually taken in trade or exchange. The trade-in property does not have to be of like kind to the purchased property. The reduction in purchase price is considered to be the value of the trade-in.

Purpose: Usually, tangible personal property taken as a trade-in is resold. Therefore, it is treated as a sale for resale.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 201.3	\$ 219.7	\$ 231.6	\$ 242.5	\$ 255.3	\$ 269.9	\$ 286.8

Beneficiaries: Approximately 75 purchasers of aircraft, 127,000 purchasers of computers, 7,500 purchasers of boats and 630,000 purchasers of cars and trucks annually benefit from this tax expenditure.

ISOLATED SALES

Description: Infrequent personal property sales of a non-recurring nature by a person not in the business of selling such items are exempt from taxation. These sales can occur no more than three times nor more than a total of seven days in a year. These sales may include the sale of a lawn mower to a neighbor, liquidation of an estate, sale of a used typewriter by an insurance company or yard sale items. Motor vehicles and property which must be registered or licensed are not granted this exemption.

Purpose: The exclusion of isolated sales from taxation greatly reduces administration and compliance burdens for the seller and the Commonwealth.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 36.9	\$ 39.4	\$ 42.4	\$ 45.5	\$ 48.7	\$ 52.2	\$ 56.0

Beneficiaries: NA

General Fund Tax Expenditures

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>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

HORSES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 1.5	\$ 1.5	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4

Beneficiaries: Approximately 1,300 Standardbred 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 physical or mental handicap regardless of age and which operate at fixed locations on public property is exempt from taxation.

Purpose: The exemption of these items encourages such organizations to support programs which provide activities beneficial to young people and the handicapped.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

General Fund Tax Expenditures

EXEMPT ORGANIZATIONS

Description: The sale of personal property or services to or for use by any (1) charitable organization, (2) volunteer fireman's organization, (3) nonprofit educational institution or (4) religious organization is exempt from taxation. Transactions unrelated to the trade or business of such organizations are taxable as are materials, supplies and equipment purchased for use in connection with real estate.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	Charitable Organizations:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 116.6	\$ 117.0	\$ 118.1	\$ 119.2	\$ 120.5	\$ 121.4	\$ 122.4

	Volunteer Fireman's Organizations:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 4.0	\$ 4.1	\$ 4.2	\$ 4.4	\$ 4.6	\$ 4.8	\$ 5.0

	Nonprofit Educational Institutions:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 75.4	\$ 80.8	\$ 86.5	\$ 92.7	\$ 99.2	\$ 106.2	\$ 113.8

	Religious Organizations:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 5.8	\$ 6.0	\$ 6.2	\$ 6.4	\$ 6.6	\$ 6.8	\$ 7.1

Beneficiaries: Approximately 25,000 organizations benefit from this tax expenditure.

EXEMPT GOVERNMENTAL UNITS

Description: The sale of personal property or services to or for use by the Federal government, the Commonwealth, or its instrumentalities or political subdivisions is exempt from taxation. Based on the criteria adopted to define tax expenditures, Federal transactions are not included in this study. Commonwealth transactions are also excluded because revenues would offset expenditures with no net effect. The estimates, therefore, represent the tax on local government expenditures.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 54.2	\$ 56.6	\$ 59.5	\$ 62.7	\$ 66.5	\$ 71.0	\$ 76.0

Beneficiaries: Approximately 3,200 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 which most closely approximates current taxable value.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

OUT-OF-STATE PURCHASES

Description: Tangible personal property purchased and used outside the State by a nonresident who later brings the property into Pennsylvania while establishing a permanent residence or business is exempt from taxation. This property must be purchased more than six months prior to the first taxable use in Pennsylvania.

Purpose: This provision eases administrative costs for the Commonwealth and compliance costs for the taxpayer and prevents a substantial tax liability being imposed when a person moves to Pennsylvania.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

RAIL TRANSPORTATION EQUIPMENT

Description: The purchase or use of rail transportation equipment used by a business, other than a utility, in the movement of its own personal property is exempt from taxation.

Purpose: Exemption of rail equipment provides preferential treatment benefiting specific users of this transportation mode. Were these items not exempt, this additional cost would be passed through to the ultimate consumer.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

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 preferential treatment benefiting organizations which raise fish ultimately destined for human consumption.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: Approximately 180 fish nurseries and an unknown number of other entities benefit from this tax expenditure.

TOURIST PROMOTION AGENCIES

Description: The purchase or use of supplies and materials by tourist promotion agencies for distribution to the public is exempt from taxation. To be permitted this exemption, an agency must receive grants from the State.

Purpose: Excluding supplies and materials used by tourist promotion agencies which receive State grants reduces the cost of performing promotional activities. The need for direct support to these agencies is decreased by providing this exemption.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 0.9	\$ 0.9	\$ 1.0	\$ 1.0	\$ 1.1	\$ 1.2	\$ 1.3

Beneficiaries: All 51 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: Preferential treatment is conferred to those involved in the raising or sale of trout ultimately destined for human consumption.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: Less than 140 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>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

Beneficiaries: NA

STORAGE

Description: Charges for storage, other than for self-storage, of tangible personal property and the value of that property are exempt from taxation for Pennsylvania residents. For nonresidents, a storage charge, other than for self-storage, within the State is exempt but the value of the property is taxable under the "use" tax.

Purpose: Commercial storage services may be considered to be an integral part of the production and distribution of tangible personal property.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 12.5	\$ 13.1	\$ 13.7	\$ 14.3	\$ 15.0	\$ 15.7	\$ 16.4

Beneficiaries: NA

PUBLIC TRANSPORTATION (Local)

Description: Expenditures for public transportation fares are not taxable.

Purpose: State and local governments are primary financial contributors to public transportation systems. Taxing these services would be contrary to public policy of supporting public transportation.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 25.9	\$ 26.3	\$ 26.7	\$ 27.1	\$ 27.5	\$ 27.9	\$ 28.3

Beneficiaries: Approximately 2.9 million people 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 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. Recent legislation in 1991 imposed the tax on charges for selected business services.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
LODGING							
Trailer parks and camps	\$ 4.5	\$ 4.5	\$ 4.6	\$ 4.7	\$ 4.8	\$ 4.9	\$ 5.0
PERSONAL SERVICES							
Cleaning, storage & repair of clothing & shoes ⁽¹⁾	\$ 7.2	\$ 7.5	\$ 7.9	\$ 8.3	\$ 8.7	\$ 9.1	\$ 9.5
Dry-cleaning ⁽¹⁾	10.8	10.8	10.9	11.0	11.1	11.2	11.3
Barber and beauty shops	29.1	30.0	31.0	32.0	33.0	34.0	35.1
Funeral parlors and crematories	27.0	28.8	30.8	32.9	35.1	37.5	40.1
All other personal services	30.9	32.8	34.8	36.9	39.1	41.4	43.8
BUSINESS SERVICES							
Advertising (local)	\$ 289.9	\$ 307.0	\$ 325.0	\$ 344.1	\$ 364.3	\$ 385.6	\$ 408.3
Interior office building cleaning .....	. . . .	3.3	20.6	21.6	22.7	23.8	25.0
Management, consulting & public relations	191.1	211.1	233.3	257.8	284.9	314.7	347.8
Research	39.9	45.0	50.9	57.5	65.0	73.4	83.0
Detective agencies	35.9	38.0	40.3	42.7	45.3	48.0	50.9
AUTOMOTIVE SERVICES							
Automobile parking	\$ 10.4	\$ 10.7	\$ 11.0	\$ 11.4	\$ 11.8	\$ 12.1	\$ 12.5
RECREATION SERVICES							
Commercial sports admissions	\$ 65.0	\$ 69.4	\$ 74.1	\$ 79.1	\$ 84.5	\$ 90.2	\$ 96.4
Entertainers	8.5	9.0	9.5	10.0	10.5	11.0	11.6
Memberships	9.9	10.0	10.2	10.4	10.6	10.8	11.0
Other admissions	41.1	45.3	50.0	55.2	60.9	67.1	74.0
HEALTH SERVICES							
Health, except hospitals, physicians and dentists	\$ 351.9	\$ 396.6	\$ 447.0	\$ 503.8	\$ 567.8	\$ 639.8	\$ 721.0
Hospitals	776.4	857.1	953.1	1,033.2	1,111.7	1,196.2	1,287.1
Physician office services	395.1	426.3	460.0	496.3	535.5	577.8	623.5
Dental office services	91.1	96.1	101.4	107.0	112.9	119.0	125.5
PROFESSIONAL SERVICES							
Legal	\$ 260.8	\$ 279.8	\$ 300.2	\$ 322.1	\$ 345.6	\$ 370.9	\$ 398.0
Engineering	311.2	331.7	353.6	376.9	401.8	428.3	456.6
Surveying, architects	39.4	41.9	44.7	47.7	50.8	54.2	57.7
Accounting, auditing and bookkeeping services	88.2	93.4	99.0	104.9	111.2	118.0	125.0
MISCELLANEOUS SERVICES							
Basic television	\$ 31.6	\$ 33.5	\$ 35.5	\$ 37.6	\$ 39.9	\$ 42.3	\$ 44.8
Learned professions	NA	NA	NA	NA	NA	NA	NA
Electrician, plumber, heating & air conditioner service fees	NA	NA	NA	NA	NA	NA	NA
Veterinary fees	19.1	19.8	20.7	21.5	22.3	23.0	23.8
Stockbroker fees	NA	NA	NA	NA	NA	NA	NA
Real estate agent fees	NA	NA	NA	NA	NA	NA	NA
Financial institution fees	162.1	172.8	184.2	196.4	209.4	223.1	237.9
Pilots fees	NA	NA	NA	NA	NA	NA	NA
OTHER SERVICES							
Other	\$ 251.6	\$ 263.7	\$ 276.4	\$ 289.7	\$ 303.6	\$ 318.6	\$ 333.3

⁽¹⁾ These services, pertaining to tangible personal property, are specifically exempt by Statute.

Beneficiaries: Virtually all 4.5 million households benefit from one or more of these service tax expenditures.

General Fund Tax Expenditures

CIGARETTE TAX

Authorization: The cigarette tax is imposed by the Act of December 21, 1981, (P.L. 482, No. 141) which replaced the Act of July 22, 1970, (P.L. 513, No. 178) and re-enacted substantially all of its provisions as Article XII of the Tax Reform Code of 1971 (P.L. 6, No. 2), which was further amended by the Act of August 4, 1991, Act 22.

The cigarette tax is an excise tax, based on a rate of 1.55 cents per cigarette, levied on the sale or possession of cigarettes in Pennsylvania. Only one sale of cigarettes whether individual cigarettes, packages, cartons or cases is taxable. Beginning July 1, 1992 two thirty-firsts of cigarette tax receipts is paid into the Children's Health Fund, and beginning July 1, 1993 an additional two thirty-firsts is transferred into the Agricultural Conservation Easement Purchase Fund. The analyses below reflect only the General Fund portion of the tax expenditures.

STATE VETERANS HOMES

Description: Sales to retail dealers located in State Veterans Homes for resale to residents in such homes are exempt. (Federal Veterans Hospitals are exempt under federal law).

Purpose: It is perceived to be good public policy to reduce taxes for veterans who have served their country and are now residing in a veterans home or hospital.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

UNSTAMPED CIGARETTES (200 AND UNDER)

Description: Vacationers or tourists crossing state lines with one carton or less of unstamped cigarettes are not required to pay tax on those cigarettes. The carton (200 cigarettes) can not be resold and must be for personal use only.

Purpose: Persons crossing state lines with one carton or less of cigarettes are presumed to possess such cigarettes for personal use rather than intentionally avoiding payment of the cigarette tax. This stipulation helps to relieve administration and enforcement burdens as well as promote tourism.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	NA	NA	NA	NA	NA	NA	NA

COMMISSIONS ON SALES OF STAMPS

Description: Cigarette stamping agents are permitted a commission of three percent of the value of all cigarette tax stamps purchased from the Department of Revenue or its authorized agents to be affixed to cigarettes for sale within the Commonwealth. The commission does not apply to purchases of stamps by a cigarette stamping agent in amounts of less than one hundred dollars (\$100).

Purpose: This commission is paid to the cigarette stamping agent as compensation for services and expenses incurred while acting as an agent of the Commonwealth in affixing tax stamps.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 9.4	\$ 8.7	\$ 8.5	\$ 8.2	\$ 8.0	\$ 7.7	\$ 7.5

General Fund Tax Expenditures

MALT BEVERAGE TAX

Authorization: The Malt Beverage Tax Law, Act of May 5, 1933, (P.L. 284, No. 104) was repealed by the Act of December 22, 1989, (P.L. 775, No. 110), and re-enacted as Article XX of the Tax Reform Code of 1971, Act of March 4, 1971 (P.L. 6., No. 2).

The Malt Beverage Tax is levied on malt and brewed beverages manufactured, sold and used in Pennsylvania, or manufactured outside of Pennsylvania but sold for importation and use in Pennsylvania. The tax is borne by the consumer, but manufacturers, distributors and importers remit the tax to the Commonwealth.

EMERGENCY TAX CREDIT

Description: The Emergency Tax Credit, established with the passage of Act 82-1974, provided manufacturers of malt or brewed beverages a maximum annual credit of \$100,000 for capital improvement expenditures. This tax credit cannot exceed the amount of qualifying capital expenditures made during the emergency tax credit period (items of plant, equipment and machinery intended for use in the manufacture and sale of malt or brewed beverages within the Commonwealth). This act was effective from January 1, 1974 to December 31, 1976. Subsequent acts extended the effective period of the credit. Additionally, Act 26-1986 increased the maximum credit per taxpayer to \$150,000. Act 110-1989, altered the provisions of the credit by increasing the maximum annual credit per taxpayer to \$200,000 and limiting the credit to taxpayers whose annual production of malt or brewed beverages does not exceed 300,000 barrels. The latest act, Act 48-1994, extended the emergency tax credit period to December 31, 1998.

Purpose: The current credit was instituted to grant a limited tax subsidy for capital improvements made by small brewers. Due to the financial pressures facing these brewers, this provision could help lower the risk of business failure and subsequent loss of employment opportunities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 0.2	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.2

LIQUOR TAX

The liquor tax is imposed on all liquor sold by the Pennsylvania Liquor Control Board. The tax is assessed, since 1968, at the rate of 18% of the net price paid by the consumer. The enabling legislation is the Liquor Code, Act of June 29, 1987 (P.L. 32, No. 14) and the Emergency Liquor Sales Tax Act, Act of June 9, 1936 (Special Session, P.L. 13).

The liquor tax contains no tax expenditures as defined for this tax expenditure analysis.

PERSONAL INCOME TAX

Authorization: The personal income tax is authorized by Article III of the Act of August 31, 1971, (P.L. 362, No. 93), as amended, applicable to income received on or after June 1, 1971. The personal income tax was first enacted by the Tax Reform Code of 1971 (Act of March 4, 1971, P.L. 6, No. 2) and imposed a tax on income for taxable years ending after December 31, 1970, but was held unconstitutional by the Supreme Court of Pennsylvania.

General Fund Tax Expenditures

EXCLUSIONS FROM INCOME

RETIREMENT INCOME

Description: Payments commonly recognized as old age or retirement benefits paid to persons retired from service after reaching a specific age or after a stated period of service are exempt from taxation.

Purpose: The exemption limits the impact of the tax on retired persons. It also prevents taxation of previously taxed employee contributions to retirement plans.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 952.4	\$ 1,028.9	\$ 1,082.6	\$ 1,139.1	\$ 1,198.6	\$ 1,261.2	\$ 1,327.0

RETIREMENT CONTRIBUTIONS BY EMPLOYERS

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

Purpose: This provision lessens the burden of the tax upon Pennsylvania wage-earners and maintains fairness, since the employee often does not have the right to possess the funds in the retirement plan except for retirement or separation from the company after a set number of years of service.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 405.9	\$ 444.2	\$ 471.2	\$ 499.6	\$ 529.9	\$ 562.2	\$ 593.3

EMPLOYEE BENEFIT PROGRAM EMPLOYER CONTRIBUTIONS

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

Purpose: This provision lessens the burden of the tax upon Pennsylvania wage-earners, along with maintaining fairness, since these payments are not usually based on actual use by each wage-earner.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 520.3	\$ 569.4	\$ 603.9	\$ 640.7	\$ 676.2	\$ 712.0	\$ 751.2

General Fund Tax Expenditures

LIFE INSURANCE PROCEEDS

Description: Amounts paid to beneficiaries or the estate of a decedent by reason of the death of the decedent are exempt from tax.

Purpose: Life insurance proceeds are not considered compensation for services rendered. Also, premiums are often paid with after-tax dollars.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 41.7	\$ 46.8	\$ 50.6	\$ 54.8	\$ 59.2	\$ 64.0	\$ 69.3

SICKNESS OR DISABILITY PROCEEDS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	NA	NA	NA	NA	NA	NA	NA

UNEMPLOYMENT AND SUPPLEMENTAL UNEMPLOYMENT COMPENSATION

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 58.5	\$ 45.2	\$ 43.1	\$ 39.8	\$ 33.9	\$ 28.8	\$ 24.5

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>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 77.7	\$ 89.0	\$ 97.3	\$ 106.3	\$ 116.2	\$ 127.1	\$ 138.9

General Fund Tax Expenditures

STRIKE BENEFITS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	NA	NA	NA	NA	NA	NA	NA

PUBLIC ASSISTANCE

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 23.5	\$ 22.3	\$ 22.7	\$ 22.9	\$ 23.2	\$ 23.4	\$ 23.6

SALE OF A PRINCIPAL RESIDENCE (AGE 55 AND OVER)

Description: Up to \$100,000 of the gain from a sale of a principal residence is excludable from income. The taxpayer must be at least age 55 and meet certain other criteria. The exclusion may be used once in a taxpayer's lifetime.

Purpose: This provision limits the impact of the tax on older Pennsylvanian's who are subject to a substantial liability on the profit from the sale of their home.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 17.2	\$ 17.6	\$ 17.9	\$ 18.6	\$ 18.9	\$ 19.2	\$ 20.4

COMPENSATION FOR MILITARY SERVICE

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 46.9	\$ 48.6	\$ 49.1	\$ 50.9	\$ 52.5	\$ 54.0	\$ 55.7

General Fund Tax Expenditures

SCHOLARSHIPS, GRANTS, FELLOWSHIPS, AND STIPENDS

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

Purpose: Awards made on the basis of detached generosity are considered to be gifts and are not taxable under the Personal Income Tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 23.3	\$ 25.1	\$ 26.0	\$ 27.0	\$ 28.0	\$ 29.1	\$ 30.2

PENNSYLVANIA LOTTERY WINNINGS

Description: Prizes of the Pennsylvania Lottery are exempt from tax. The estimates below reflect all expected payments to Lottery winners within the appropriate fiscal year.

Purpose: This provision provides incentive for playing the Pennsylvania Lottery. A separate section of the statute provides for a transfer from the Lottery Fund to the General Fund based on the present value of prizes won in that fiscal year.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 22.2	\$ 22.5	\$ 22.7	\$ 22.9	\$ 23.0	\$ 23.2	\$ 23.3

DEPENDENT CARE FACILITIES

Description: The fair market value of employer provided dependent care facilities is exempt from tax.

Purpose: This exemption provides assistance to working parents whose employer provides day care facilities as a benefit of employment.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

REIMBURSEMENTS FOR ACTUAL EXPENSES

Description: Payments by an employer to an employee to reimburse actual expenses incurred by the employee in the conduct of the employer's business are excludable from compensation.

Purpose: This provision insures that employees incurring business expenses, for which they are later reimbursed in the actual amount of the expenses, are not taxed on the reimbursements. Such expenses and reimbursements are treated as if the employer had made the expenditure directly.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	NA	NA	NA	NA	NA	NA	NA

General Fund Tax Expenditures

UNREIMBURSED EXPENSES

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

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. The expenditures would be excludable if the employee was reimbursed for these expenditures in the exact amount of the expense.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 40.4	\$ 40.9	\$ 41.3	\$ 41.8	\$ 42.3	\$ 42.8	\$ 43.3

BUSINESS INCOME DEDUCTIONS

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

Purpose: Businesses and professions are taxed on "net" profits; therefore, expenses necessary to produce the income may be deducted before tax is computed.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Depreciation:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 118.4	\$ 125.5	\$ 135.5	\$ 143.8	\$ 152.0	\$ 153.2	\$ 167.3
	Other:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 577.1	\$ 611.7	\$ 660.6	\$ 701.0	\$ 740.9	\$ 746.8	\$ 815.5

CREDITS

SPECIAL POVERTY PROVISIONS (TAX FORGIVENESS)

Description: Special tax forgiveness provisions allow eligible claimants to reduce their tax liability depending upon the amount of their eligibility income. A taxpayer with no dependents and with eligibility income of \$7,200 or less will qualify for some amount of forgiveness. The eligibility income limits increase by \$3,000 for each dependent. Prior to tax year 1994 the allowance had been \$1,500 for the first dependent and \$1,000 for each additional dependent.

Purpose: This provision provides tax relief for taxpayers with low eligibility incomes.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 72.3	\$ 113.7	\$ 109.8	\$ 105.8	\$ 102.3	\$ 99.3	\$ 96.5

General Fund Tax Expenditures

OUT-OF-STATE CREDIT

Description: Pennsylvania residents who have income which is subject to both Pennsylvania Personal Income Tax and the income or wage tax of another state (excluding compensation earned in states with reciprocal agreements) or country may claim all or a portion of the tax paid to the other state or country as a credit against the Personal Income Tax.

Purpose: This provision prevents the double taxation of income earned by a Pennsylvania resident in another state or country.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 72.1	\$ 83.3	\$ 88.4	\$ 93.8	\$ 98.5	\$ 103.6	\$ 109.4

ESTIMATED TAXES

ESTIMATED TAXES FOR FARMERS

Description: Individuals having an estimated gross income from farming which is at least two-thirds of their total gross income may file an estimated tax declaration any time on or before January 15 of the succeeding year. If such an individual files a final return and pays the entire tax due by March 1, the return may be considered the declaration due on or before January 15.

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>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

ESTIMATED PAYMENTS FOR SMALL AMOUNTS

Description: Individuals with income of \$2,500 or less not subject to withholding are not required to pay estimated taxes. Individuals whose estimated tax is \$100 or less for a tax year may file a declaration and pay any estimated tax due by January 15 of the succeeding year.

Purpose: These provisions reduce paperwork for taxpayers with small amounts of income not subject to withholding.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

General Fund Tax Expenditures

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 is imposed at the rate of 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 transfers to the Keystone Recreation, Park and Conservation Fund pursuant to Act 50-1993.

TRANSFERS TO GOVERNMENTAL UNITS

Description: A transfer to the Commonwealth, the Federal Government, and their agencies, political subdivisions or instrumentalities by gift, dedication, condemnation or in lieu of condemnation is exempt from taxation.

Purpose: This exemption provides tax relief to the grantor of property to a governmental entity. Without an exemption, the grantor would be required to pay the tax. The exemption may encourage donation of property to a governmental entity.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 0.6	\$ 0.5	\$ 0.5	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.7

PARTITION OF REALTY BY COTENANTS

Description: A partition of realty, passed by testate or intestate succession and held by cotenants, into two or more distinctive portions with each party taking shares equal to their undivided interest is an excluded transaction.

Purpose: Tax relief is given to the heirs to assist in the equitable settlement of the estate. Heirs to realty do not always want joint ownership in the realty willed to them as cotenants. This exemption enables the parties to partition the realty into two or more distinct portions with each party taking shares equal to their undivided interest without incurring tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

TRANSFERS AMONG FAMILY MEMBERS

Description: Transfers between husband and wife, parent and child or the spouse of such child, siblings and or the spouse of a sibling, and a grandparent and grandchild or the spouse of such a grandchild are exempt from taxation.

Purpose: This exemption reduces the tax burden upon families by exempting transfers to lineal descendants.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 30.4	\$ 26.9	\$ 27.2	\$ 27.7	\$ 27.8	\$ 28.2	\$ 29.5

General Fund Tax Expenditures

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>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4

TRANSFERS TO OR FROM A NON-PROFIT INDUSTRIAL DEVELOPMENT AGENCY

Description: A transfer to a non-profit industrial development agency or authority is an excluded transaction. A transfer from a non-profit industrial development agency or authority to a grantee purchasing directly from it is an excluded transaction if (1) the grantee uses such real estate for the primary purpose of manufacturing, fabricating, compounding, processing, publishing, research and development, transportation, energy conversion, energy production, pollution control, warehousing or agriculture and (2) the authority has full ownership interest in the real estate transferred.

Purpose: These exemptions encourage transfers of realty to non-profit organizations for industrial development and from non-profit organizations for use in various activities which may contribute to economic development in the Commonwealth.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 1.2	\$ 1.0	\$ 1.0	\$ 1.1	\$ 1.1	\$ 1.2	\$ 1.2

TRANSFERS BETWEEN RELIGIOUS ORGANIZATIONS

Description: A transfer between religious organizations or persons holding title for a religious organization, with both parties possessing tax exempt status under the Internal Revenue Code, is an excluded transaction. The real estate can not have been used by such transferor for commercial purposes.

Purpose: This exemption provides tax relief to religious organizations which are perceived to provide social benefits.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 0.9	\$ 0.7	\$ 0.7	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.9

General Fund Tax Expenditures

TRANSFERS TO A CONSERVANCY

Description: A transfer to a conservancy which possesses a tax-exempt status pursuant to the Internal Revenue Code and which has as its primary purpose preservation of land for historic, recreational, scenic, agricultural or open space opportunities is an excluded transaction.

Purpose: This exemption encourages the preservation of realty with historic, recreational, scenic, and agricultural value.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

REAL ESTATE DEVOTED TO AGRICULTURE

Description: A transfer of real estate devoted to the business of agriculture to a family farm corporation or family farm partnership by a member of the same family is an excluded transaction. The family must own at least seventy-five percent of each class of stock in a family farm corporation.

Purpose: This exemption provides tax relief for the establishment or expansion of the family farm corporation or family farm partnership thereby recognizing the importance of the family-owned farm.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	NA	NA	NA	NA	NA	NA	NA

OWNERSHIP INTEREST IN REAL ESTATE COMPANY OR FAMILY FARM

Description: A transfer between members of the same family of an ownership interest in a real estate company, family farm corporation or family farm partnership is an excluded transaction.

Purpose: A transfer of ownership interest between members of the same family is not considered a change in ownership of the business. This exemption encourages the preservation of family farm corporations, family farm partnerships, and family-owned real estate businesses by allowing transfers of ownership interests between members of the same family not to count toward the corporation becoming an acquired company.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	NA	NA	NA	NA	NA	NA	NA

TRANSFERS OF REALTY VALUED AT \$100 OR LESS

Description: A transaction where the tax due is one dollar (\$1.00) or less is an excluded transaction.

Purpose: The administrative costs of collecting the revenue from a transfer of realty valued at \$100 or less are thought to be greater than the revenue.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

General Fund Tax Expenditures

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

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	NA	NA	NA	NA	NA	NA	NA

PUBLIC UTILITY EASEMENTS

Description: A transfer of an easement to a person furnishing public utility service is an excluded transaction if the easement is used in, or useful for, furnishing public utility services.

Purpose: Public utility easements are numerous and the majority of them are conveyed for a small consideration. The administrative costs of collecting the revenue from an easement to a provider of public utility services are thought to be greater than the revenue.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

STANDING TIMBER OR CROPS

Description: Standing timber and crops are not deemed to actually pass with the conveyance of realty when the instrument provides for severance and removal within an immediate ascertainable date.

Purpose: Timber and crops are personal property in this instance, the transfer of which is not subject to realty transfer tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	NA	NA	NA	NA	NA	NA	NA

General Fund Tax Expenditures

INHERITANCE TAX

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

FAMILY RELATED EXEMPTIONS AND EXCLUSIONS

PREFERENTIAL RATE FOR TRANSFERS TO LINEAL DESCENDANTS AND SPOUSES

Description: Assets transferred to lineal descendants defined as all children of the natural parents and their descendants whether or not they have been adopted by others, adopted descendants and their descendants and step descendants are taxed at a 6% rate rather than the 15% rate for assets transferred to all other heirs.

Purpose: This provision lowers the tax burden on immediate family members of the decedent.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 450.3	\$ 457.1	\$ 466.9	\$ 482.7	\$ 501.2	\$ 515.6	\$ 541.4

TRANSFERS OF JOINTLY HELD PROPERTY TO SPOUSE

Description: Property passing by right of survivorship to a spouse of a decedent is exempt from inheritance tax.

Purpose: This provision prevents an undue tax burden upon a surviving spouse. It allows spouses to choose to protect homes and other assets from being subject to the inheritance tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 517.3	\$ 536.8	\$ 556.9	\$ 577.8	\$ 599.5	\$ 622.0	\$ 645.4

TRANSFERS OF NON-JOINTLY HELD PROPERTY TO SPOUSE

Description: Non-jointly held property transfers to a spouse will eventually become exempt from the inheritance tax. The tax rates for this phased out period are as follows: 3% of the amount transferred for decedents dying between July 1, 1994 and December 31, 1995; 2% of the amount transferred for decedents dying between January 1, 1996 and December 31, 1996; 1% of the amount transferred for decedents dying between January 1, 1997 and December 31, 1997; and 0% for decedents dying on or after January 1, 1998.

Purpose: This provision prevents an undue tax burden on a surviving spouse. It allows spouses to protect homes and other assets from being subject to the inheritance tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 13.8	\$ 28.9	\$ 40.5	\$ 53.1	\$ 66.9	\$ 70.2

General Fund Tax Expenditures

SPECIAL SPOUSAL CREDIT

Description: Transfers (not exceeding \$100,000) from a decedent to his or her spouse are eligible for a credit against the inheritance tax provided that a) the decedent's gross estate value does not exceed \$200,000; and b) the average joint income of the decedent and spouse for the three years immediately preceding the death of the decedent did not exceed \$40,000. The credit is phased in at 2% of the amount transferred for decedents dying in calendar year 1992; 4% for decedents dying in calendar year 1993; and 6% for decedents dying in calendar year 1994 and before January 1, 1998. The credit expires on January 1, 1998.

Purpose: This provision provides a credit for spouses of those whose estates are such that full imposition of this tax would cause undue hardship and economic burden.

(Dollar Amounts in Millions)

Estimates:	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 1.6	\$ 2.6	\$ 2.9	\$ 3.2	\$ 3.5	\$ 1.9	....

LIFE INSURANCE PROCEEDS

Description: Life insurance proceeds, whether or not payable to the estate of the decedent, are exempt from inheritance tax.

Purpose: This provision lessens the tax burden on the insurance beneficiaries of the decedent, who are likely to be family members. A common reason for purchasing life insurance is to assist with the payment of death taxes.

(Dollar Amounts in Millions)

Estimates:	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 127.2	\$ 135.8	\$ 144.9	\$ 154.7	\$ 165.1	\$ 176.2	\$ 188.0

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)

Estimates:	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	NA	NA	NA	NA	NA	NA	NA

FAMILY EXEMPTION

Description: A \$2,000 family exemption from inheritance tax is permitted for the decedent's surviving spouse, children, or parents living in the decedent's household at the time of death.

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

(Dollar Amounts in Millions)

Estimates:	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.2

General Fund Tax Expenditures

EXCLUSIONS AND DEDUCTIONS WHICH ENHANCE FAIRNESS

EMPLOYMENT BENEFITS

Description: Employment benefits that the decedent did not have the right to possess, enjoy, assign or anticipate before death are exempt from inheritance tax. Exempt benefits include pension, stock-bonus, profit-sharing, Keoghs, Individual Retirement Accounts and other retirement plans. If the decedent did have the right to possess, enjoy, assign or anticipate the benefits, they are exempt from Pennsylvania inheritance tax only to the same extent they are exempt from the federal estate tax.

Purpose: This provision limits inheritance tax on employment benefits to which the decedent did not have full rights. An individual is presumed to have full rights to these employment benefits after age 59 1/2—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>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 22.1	\$ 23.2	\$ 24.5	\$ 25.8	\$ 27.2	\$ 28.6	\$ 30.2

ESTATE ADMINISTRATION EXPENSES

Description: Expenses for attorney fees, funeral and burial expenses, tombstones and gravemarkers, and other expenses incurred in administering the estate are deductible from the taxable estate.

Purpose: This provision allows for the deduction of reasonable and necessary expenses associated with managing the estate.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 55.4	\$ 57.5	\$ 59.6	\$ 61.9	\$ 64.2	\$ 66.6	\$ 69.1

DEBTS AND LIABILITIES OF THE DECEDENT

Description: A deduction from the gross estate is allowed for debts and liabilities of the decedent.

Purpose: This provision increases the fairness of the tax by insuring that property is included in the taxable estate based on its net value. For example, a mortgage is deducted from the value of real property to properly value the decedent's interest in that property.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 19.2	\$ 19.9	\$ 20.6	\$ 21.4	\$ 22.2	\$ 23.1	\$ 23.9

General Fund Tax Expenditures

SOCIAL SECURITY DEATH PAYMENTS

Description: The lump-sum social security death benefit is exempt from inheritance tax.

Purpose: This provision helps limit the impact of the tax on the poor. If taxable, the Social Security death benefit could comprise the majority of assets for many small taxable estates.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0

RAILROAD RETIREMENT BURIAL BENEFITS

Description: The lump-sum railroad retirement burial benefit is exempt from inheritance tax.

Purpose: This provision helps limit the impact of the tax on the poor. If taxable, the Railroad Retirement burial benefit could comprise the majority of assets for many small taxable estates.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

ADVANCEMENTS

Description: Transfers made as an advancement of or on account of an intestate share or in satisfaction or partial satisfaction of a gift by will are exempt unless the gift was made within a year of death and gifts to the transferee exceeded \$3,000 during that calendar year.

Purpose: Gifts, as long as they are not made within one year of the date of death, are exempt from inheritance tax. This provision provides that these advancements be treated as gifts.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	NA	NA	NA	NA	NA	NA	NA

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>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	NA	NA	NA	NA	NA	NA	NA

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>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	NA	NA	NA	NA	NA	NA	NA

BUSINESS RELATED PREFERENCES

PREFERENTIAL VALUATION OF FARMLAND

Description: Farmland which was devoted to agricultural use for the three years preceding the death of the decedent and is not less than ten contiguous acres or has an anticipated yearly gross income derived from agricultural use of \$2,000 or more, is valued based on its current use rather than its highest use.

Purpose: This provision helps to protect family farms. Much land currently devoted to agricultural use would be more valuable if it were developed. This provision values the farmland as if it were to remain farmland.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	NA	NA	NA	NA	NA	NA	NA

SMALL BUSINESS INTEREST TRANSFER EXTENDED PAYMENT SCHEDULE

Description: The inheritance tax due on the transfer of a qualified small business interest may be paid in 20 consecutive quarterly installments beginning nine months after the decedent's death. Each installment payment bears interest of 9% per annum.

Purpose: This provision helps protect small business upon the death of the owner from a sudden tax burden. Payments are spread out over time so that asset sales can be avoided.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	NA	NA	NA	NA	NA	NA	NA

General Fund Tax Expenditures

OTHER EXCLUSIONS

TRANSFERS TO GOVERNMENTS

Description: Intervivos transfers and bequests to governments are exempt from inheritance tax.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4

TRANSFERS TO CHARITABLE AND FRATERNAL ORGANIZATIONS

Description: Intervivos transfers and bequests to charitable and fraternal organizations are exempt from inheritance tax.

Purpose: Charitable and fraternal organizations provide public services which are believed to benefit the citizenry. This exemption represents an indirect means of assistance to these entities and may increase the money available for charitable purposes.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 55.1	\$ 57.2	\$ 59.3	\$ 61.5	\$ 63.9	\$ 66.3	\$ 68.7

Motor License Fund Tax Expenditures

LIQUID FUELS TAX

Authorization: The Liquid Fuels Tax, enacted in 1931, replaced the 1929 fuel tax act. Although first imposed on retailers, the Act of May 21, 1931 (P.L. 149, No. 105) placed the burden on the consumer and the responsibility for collection and payment on the distributor. The permanent tax rate was increased to 8 cents per gallon with the Act of March 3, 1970 (P.L. 109, No. 41). An additional temporary tax of 1 cent was imposed by the Act of July 12, 1974 (P.L. 458, No. 161), an additional 2 cents tax was imposed by the Act of July 4, 1979 (P.L. 60, No. 27), and an additional 1 cent tax was imposed by the Act of July 22, 1983 (P.L. 122, No. 32). The current rate is 12 cents per gallon. All revenues are deposited in the Motor License Fund with a 0.5 cent restricted portion of the tax later distributed to local jurisdictions. The following estimates reflect the full tax rate imposed.

FUEL USE TAX

Authorization: The Fuel Use Tax Act of January 14, 1952 (P.L. 1965, No. 550) replaced the original 1947 tax. The permanent tax rate was raised to 8 cents per gallon with the Act of March 3, 1970 (P.L. 111, No. 42), and was supplemented by the temporary 1 cent tax imposed by the Act of July 12, 1974 (P.L. 458, No. 161), by the 2 cents tax of the Act of July 4, 1979 (P.L. 60, No. 27) and by the 1 cent tax of the Act of July 22, 1983 (P.L. 122, No. 32). The Fuel Use Tax is an excise tax imposed on all dealer-users of fuel within Pennsylvania except those fuels subject to the Liquid Fuels Tax. Examples of taxable products are diesel, liquefied petroleum gases (LPG) and kerosene. The current rate is 12 cents per gallon. All revenues are deposited in the Motor License Fund with a 0.5 cent restricted portion of the tax later distributed to local jurisdictions. The following estimates reflect the full tax rate imposed.

OIL COMPANY FRANCHISE TAX

Authorization: The Oil Company Franchise Tax was enacted by the Act of June 23, 1981 (P.L. 98, No. 35) as Chapter 95 of Title 75 of the Pennsylvania Consolidated Statutes. This tax is imposed on oil companies for the privilege of doing business, exercising a corporate franchise, employing capital, owning or leasing property, maintaining an office, or having employees in Pennsylvania. Effective September 1, 1991, Act 26-1991 imposed an additional 55 mills bringing the total tax levy to 115 mills. The tax is calculated at 115 mills of the average wholesale price of petroleum products which may not be less than \$.90 nor more than \$1.25 per gallon. A restricted revenue portion of 3 mills is deposited into the State Highway Transfer Restoration Restricted Account and 55 mills is distributed to various other restricted accounts. The following estimates reflect the full tax rate imposed.

POLITICAL SUBDIVISIONS

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

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

(Dollar Amounts in Millions)

Estimates:	Motor Gasoline:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 5.3	\$ 5.3	\$ 5.8	\$ 5.8	\$ 5.8	\$ 5.8	\$ 5.8
	Jet Fuel & Aviation Gasoline:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuel Use:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 2.4	\$ 2.4	\$ 2.6	\$ 2.6	\$ 2.6	\$ 2.6	\$ 2.6
	Oil Company Franchise:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 6.5	\$ 6.6	\$ 7.7	\$ 7.7	\$ 7.7	\$ 7.7	\$ 7.7

Motor License Fund Tax Expenditures

VOLUNTEER EMERGENCY VEHICLES

Description: Fuels purchased by a volunteer fire company, volunteer ambulance service or volunteer rescue squad used solely in official vehicles are exempt from the tax.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Gasoline:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 1.0	\$ 1.0	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1
	Jet Fuel & Aviation Gasoline:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuel Use:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 0.8	\$ 0.8	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9
	Oil Company Franchise:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 1.5	\$ 1.5	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9

NONPROFIT NONPUBLIC SCHOOLS

Description: Fuels purchased by any nonprofit nonpublic school in which a commonwealth resident may legally fulfill compulsory school attendance requirements is granted an exemption from payment of the tax.

Purpose: Since state government indirectly subsidizes transporting public school children, this exemption was intended to provide similar treatment to nonprofit nonpublic schools.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Gasoline:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Jet Fuel & Aviation Gasoline:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuel Use:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Oil Company Franchise:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Motor License Fund Tax Expenditures

SECOND CLASS COUNTY PORT AUTHORITIES

Description: Purchases of fuels by second class county port authorities are exempt from the tax.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Gasoline:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Jet Fuel & Aviation Gasoline:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuel Use:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Oil Company Franchise:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

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 to the ratepayers.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Gasoline:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Jet Fuel & Aviation Gasoline:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuel Use:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2
	Oil Company Franchise:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

Motor License Fund Tax Expenditures

AGRICULTURAL USE

Description: The Liquid Fuels Tax Act grants a full refund of tax paid for agricultural use relating to the actual production of farm products. Fuel used in farm machinery or equipment engaged in the production or harvesting of agricultural products is exempt from taxation under the Fuel Use Tax Act.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Gasoline:						
	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0
	Jet Fuel & Aviation Gasoline:						
	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuel Use:						
	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 0.7	\$ 0.7	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8

DISCOUNT

Description: A distributor is permitted a variable percentage discount based on gross tax due provided the Liquid Fuels Tax return and payment due are timely filed. A dealer-user is permitted a 2% discount based on gross tax due provided the Fuel Use Tax report and payment due are timely filed. Returns and payments are due on or before the next to the last business day of each month for the preceding month's sales.

Purpose: This discount is intended to defray the cost of preparing and remitting the Liquid Fuels Tax and Fuel Use Tax reports and payments.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Gasoline:						
	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 4.8	\$ 4.8	\$ 4.9	\$ 4.9	\$ 4.9	\$ 4.9	\$ 4.9
	Jet Fuel & Aviation Gasoline:						
	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuel Use:						
	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 2.3	\$ 2.3	\$ 2.4	\$ 2.4	\$ 2.4	\$ 2.4	\$ 2.4

Motor License Fund Tax Expenditures

FOREIGN DIPLOMATS

Description: Fuel purchased by foreign diplomats whose country has entered into a treaty with the United States are exempt from payment of the tax.

Purpose: The Commonwealth grants the exemption administratively at the request of the Federal government.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Gasoline:	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
		Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Jet Fuel & Aviation Gasoline:	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
		Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuel Use:	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
		Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Oil Company Franchise:	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
		Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

MOTOR CARRIERS ROAD TAX

Authorization: The Motor Carriers Road Tax was enacted by the Act of June 19, 1964 (P.L. 7, No. 1) and provisions requiring identification markers were transferred to the Vehicle Code by the Act of June 18, 1980 (P.L. 229, No. 68). The Act of July 13, 1987 (P.L. 303, No. 56) repealed the Motor Carriers Road Tax and reenacted it as Chapter 96 of Title 75 of the Pennsylvania Consolidated Statutes. The Motor Carriers Road Tax is levied at the rate per gallon of the Pennsylvania Liquid Fuels Tax and Oil Franchise Tax currently in effect. An additional tax of 6 cents per gallon is collected through the Motor Carrier Road Tax and subsequently deposited in the Restricted Highway Bridge Improvement Account within the Motor License Fund. The following estimates reflect the full tax rate imposed.

Motor License Fund Tax Expenditures

MOTORBUS ROAD TAX

Authorization: The Act of June 11, 1992 (P.L. 266, No. 47) enacted the Motorbus Road Tax by adding Chapter 98 to Title 75 of the Pennsylvania Consolidated Statutes. Effective January 1, 1993 the Motorbus Road Tax is levied at the rate per gallon of the Pennsylvania Liquid Fuels Tax and Oil Franchise Tax currently in effect. The following estimates reflect the full tax rate imposed.

POLITICAL SUBDIVISIONS

Description: Vehicles operated by political subdivisions are exempt from the requirement to display identification markers and payment of tax on motor fuel consumed in vehicles operating within the Commonwealth of Pennsylvania.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Carriers Road Tax:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 8.9	\$ 8.9	\$ 9.1	\$ 9.2	\$ 9.3	\$ 9.4	\$ 9.5
<i>Estimates:</i>	Motorbus Road Tax:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

FARM TRUCK REGISTRATION

Description: A motor carrier vehicle bearing a Pennsylvania farm truck registration which operates exclusively on a farm is exempt from the requirement to display the identification marker and payment of the Motor Carriers Road Tax.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
		\$ 4.8	\$ 5.0	\$ 5.0	\$ 5.1	\$ 5.1	\$ 5.2	$ 5.2

VOLUNTEER EMERGENCY VEHICLES

Description: Fire, rescue and ambulance vehicles operated by volunteers are exempt from the requirements of the Motor Carriers Road Tax and Motorbus Road Tax Acts.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Carriers Road Tax:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 3.7	\$ 3.8	\$ 3.2	\$ 3.2	\$ 3.2	\$ 3.2	\$ 3.2
<i>Estimates:</i>	Motorbus Road Tax:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Motor License Fund Tax Expenditures

BUSES

Description: Any bus engaged in the interstate transportation of passengers and subject to the jurisdiction of the Interstate Commerce Commission or any state regulatory agency concerned with the regulation of passenger transportation is exempt from the requirements of the Motor Carriers Road Tax Act.

Purpose: Although the cited buses are exempt from the Motor Carriers Road Tax, they are subject to taxation under the Motorbus Road Tax. The estimates listed below reflect the 6 cents per gallon surtax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4

PRIVATE SCHOOL BUS

Description: A school bus operated by or on behalf of any private school is exempt from the requirement to display the identification marker and payment of the Motor Carriers Road Tax.

Purpose: Since state government indirectly subsidizes transporting public school children, this exemption provides similar treatment to private schools.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

SPECIAL MOBILE EQUIPMENT

Description: Vehicles not designed or used primarily for the transportation of persons or property which only incidentally operate or move over a highway, such as ditch digging apparatus, well-boring apparatus, earth moving and road construction machinery, are exempt from the requirements of the Motor Carriers Road Tax Act.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 0.9	\$ 1.1	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.2

IMPLEMENTS OF HUSBANDRY

Description: A vehicle designed or adapted to be used exclusively for agricultural operations is exempt from the requirement to display the identification marker and payment of the Motor Carriers Road Tax.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Motor License Fund Tax Expenditures

CHARITABLE AND RELIGIOUS ORGANIZATIONS

Description: Vehicles operated by charitable and religious organizations are exempt from the requirement of the Motor Carriers Road Tax Act.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

ELECTRIC COOPERATIVES

Description: Motor carrier vehicles operated by electric cooperatives are exempt from the requirement to display the identification marker and payment of 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 ratepayers.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

VEHICLES NEEDING EMERGENCY REPAIRS

Description: A vehicle needing emergency repairs, which was granted authorization from the Pennsylvania State Police to enter this Commonwealth, is exempt from the requirements of the Motor Carriers Road Tax and Motorbus Road Tax Acts.

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>	Motor Carriers Road Tax:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
<i>Estimates:</i>	Motorbus Road Tax:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Motor License Fund Tax Expenditures

VEHICLES SECURING REPAIRS OR RECONDITIONING

Description: Exemption from the 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>	Motor Carriers Road Tax:						
	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Motorbus Road Tax:						
	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

SCHOOL BUS

Description: Buses that are used exclusively for the transportation of children for school purposes are exempt from the Motorbus 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>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 6.7	\$ 6.8	\$ 7.0	\$ 7.1	\$ 7.2	\$ 7.3	\$ 7.4

Motor License Fund Tax Expenditures

MOTOR VEHICLE CODE

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

VEHICLE REGISTRATIONS

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

<i>Estimates:</i>	Disabled/Severely Disabled Veterans:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
	Charitable Organizations:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6
	Former Prisoners of War:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Farm Trucks:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 2.5	\$ 2.5	\$ 2.5	\$ 2.5	\$ 2.5	\$ 2.5	\$ 2.5
	Emergency Vehicles:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9
	Fire Department Vehicles:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 1.7	\$ 1.7	\$ 1.7	\$ 1.7	\$ 1.7	\$ 1.7	\$ 1.7
	Political Subdivisions:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 8.0	\$ 8.1	\$ 8.2	\$ 8.2	\$ 8.3	\$ 8.4	\$ 8.4
	Older Pennsylvanians:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 2.3	\$ 2.3	\$ 2.4	\$ 2.4	\$ 2.5	\$ 2.5	\$ 2.6

Motor License Fund Tax Expenditures

CARNIVAL TRUCKS/TRUCK TRACTORS

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

Purpose: This provides partial registration fee relief for those vehicles being used only between April 1 and September 30.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

CERTIFICATES OF TITLE

Description: Ownership of a particular vehicle is recorded by the issuance of a Certificate of Title for which a fee is charged. Specific entities exempt from this title fee are political subdivisions, totally disabled veterans, emergency vehicles and foreign nationals.

Purpose: This exemption provides relief to the organizations or individuals cited above. The General Assembly has provided exemption for these entities due to their perceived special status.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

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>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

BRIDGE PERMITS

Description: Bridges built 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>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Motor License Fund Tax Expenditures

HAULING PERMITS

Description: Permits, for which a fee is charged, are issued to firms who wish to haul loads that exceed the maximum size or weight specifications for a vehicle. The commonwealth administratively grants an exemption from the permit fee to political subdivisions.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

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>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Racing Fund Tax Expenditures

The Racing Fund, a special revenue fund, is comprised of monies received from taxes, licenses and fees and miscellaneous revenues collected by the State Harness Racing Commission and the State Horse Racing Commission derived from the regulation of harness and horse racing. Prior to December 30, 1983, thoroughbred racing tax revenues consisted of wagering, breakage and admissions taxes and harness racing tax revenues consisted of wagering and admissions taxes as assessed by the Race Horse Industry Reform Act (Act 135 of December 17, 1981). The Harness Racing Fund and the Horse Racing Fund were combined into the Racing Fund by Act 93 of 1983. Act 93 also amended portions of the Race Horse Industry Reform Act relating to taxation.

WAGERING TAX

Authorization: Act of May 16, 1986 (P.L. 205, No. 63).

NEW CORPORATIONS

Description: Racing Corporations licensed after May 16, 1986 are subject to a reduced wagering tax rate, 1% rather than the normal 1.5% rate, for a period of four years.

Purpose: This provision may have been perceived as an incentive to promote the formation of new racing corporations.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	NA	NA	NA	NA	NA	NA	NA

ADMISSIONS TAX

Authorization: Department of Revenue letter ruling with concurrence of counsel for Racing Commission.

DARK DAY SIMULCASTS

Description: The minimum admissions tax, currently 5% of 50 cents, is waived at events where no admission charge is levied and where simulcasts of races from other facilities are featured rather than live races.

Purpose: This provision may have been perceived as a way to promote simulcast attendance at commonwealth racing facilities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Special Fund Tax Expenditures

UNEMPLOYMENT COMPENSATION INSURANCE TAX

ADMINISTRATIVE COSTS: The costs of administering the tax expenditure associated with the Unemployment Compensation Insurance Tax are nominal.

LIMITATION OF THE TAXABLE WAGE BASE

Authorization: The Act of December 5, 1936 (2nd special session, 1937 P.L. 2897, No. 1), 4(x)(1) as amended, 43 P.S. 753(x)(1).

Description: The commonwealth's unemployment compensation law provides for a limitation of the taxable wage base to the first \$8,000 of wages paid to each employee during a calendar year by an employer. Prior to 1984 the limitation on taxable remuneration had been \$7,000. All state governments are required by the federal government to tax at least the first \$7,000 of subject wages. Many states, including Pennsylvania, have chosen to keep their bases close to the federal minimum. The estimate represents the cost of this limitation as measured by the difference between contributions based on taxable wages and contributions based on total wages. In 1988, legislation was enacted which provides for a "trigger" mechanism to regulate employer and employee contributions. The trigger mechanism would change tax rates in response to a change in the taxable wage base. The methodology used for this estimate does not incorporate the changes which the trigger mechanism would require. 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.

Purposes: The limitation on taxable wages limits growth in employer tax liabilities that would otherwise occur as wages rise.

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 1994 there were 231,686 contributory employers to the Unemployment Compensation Fund. The following is a breakdown of these employers according to major industry division:

Agriculture, Forestry and Fisheries	4,858	Wholesale Trade	22,064
Mining	901	Retail Trade	49,744
Construction	27,374	F.I.R.E.	15,671
Manufacturing	16,261	Services	85,679
Transportation and Public Utilities	8,394	Local Government	740

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 3,393.1	\$ 3,630.7	\$ 3,573.6	\$ 3,553.2	\$ 3,767.4	\$ 4,023.6	\$ 4,300.8

Special Fund Tax Expenditures

PUBLIC TRANSPORTATION ASSISTANCE FUND

Authorization: Title 74 of the Pennsylvania Consolidated Statutes, Part II, Chapter 13.

The Public Transportation Assistance Fund, established by Act 26-1991 provides for the capital, asset maintenance and certain other transportation needs of the commonwealth's public transit entities.

Fund revenues are derived from a portion of the public utility realty tax; a motor vehicle lease tax; a motor vehicle rental fee; a fee on the sale of new tires; 0.44% of total sales and use tax receipts in lieu of the repealed periodicals tax; and 0.09 % of total sales and use tax receipts in lieu of the repealed lease tax on class four and above motor carriers. Certain entities and transactions are exempt from these taxes and fees.

The utility realty tax expenditures for this fund parallel the PURTA general fund tax expenditures since, by statute, the provisions of Article XI-A of the Tax Reform Code of 1971 apply to the 12 mill levy accruing to the Public Transportation Assistance Fund. With the exception of the new tire fee, the remaining tax expenditures parallel applicable expenditures in the Sales and Use Tax, again due to statutory provisions. The law limits new tire fee expenditures to exempt governmental units.

UTILITY REALTY TAX

Every entity required to pay the tax imposed under Article XI-A of the Tax Reform Code of 1971 shall also remit an additional 12 mills upon each dollar of the state taxable value of its utility realty at the end of the calendar year. The authorization and explanation of this tax are given in the General Fund Tax Expenditure section.

PROPERTY SUBJECT TO LOCAL TAXATION

Description: Property subject to local real estate taxation under any law in effect on April 23, 1968 is excluded from the PURTA base.

Purpose: The Constitution of Pennsylvania was amended April 23, 1968 to provide for state taxation of public utility realty property; however, any law in effect which subjected real property of a public utility to local real estate taxation was left in full force. This exemption prevents the double taxation of such property.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 4.5	\$ 4.5	\$ 4.7	\$ 4.6	\$ 4.7	\$ 4.7	\$ 4.7

MACHINERY AND EQUIPMENT

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 317.0	\$ 309.2	\$ 322.6	\$ 317.6	\$ 321.1	\$ 323.1	\$ 325.1

Special Fund Tax Expenditures

EASEMENTS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 3.9	\$ 3.8	\$ 4.0	\$ 3.9	\$ 4.0	\$ 4.0	\$ 4.0

RAILROAD RIGHTS-OF-WAY

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

Purpose: PURTA is intended as a tax on real property, and not as a tax on property such as these rights. This tax relief encourages the development of an extensive railroad network that is beneficial to the economy.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 10.0	\$ 10.3	\$ 10.6	\$ 11.0	\$ 11.3	\$ 11.7	\$ 12.0

LINES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 119.0	\$ 122.9	\$ 127.8	\$ 129.0	\$ 129.1	\$ 130.3	\$ 131.5

HYDROELECTRIC PROPERTY

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	NA	NA	NA	NA	NA	NA	NA

Special Fund Tax Expenditures

SEWAGE SERVICES

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

Purpose: This provides tax relief to companies that are in the business of sewage treatment and encourages investment in sewage treatment facilities which provide public environmental benefits. It also benefits consumers to the extent the tax relief is reflected in lower utility rates.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 8.7	\$ 9.7	\$ 10.2	\$ 10.5	\$ 10.3	\$ 10.4	\$ 10.4

MUNICIPALITIES

Description: Municipalities or municipal authorities furnishing public utility services are exempt from tax.

Purpose: The realty used for municipally-furnished utility services is public property used for public purposes. Moreover, taxing such property would result in the municipal government paying itself a tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 6.8	\$ 6.9	\$ 7.0	\$ 7.0	\$ 7.0	\$ 7.1	\$ 7.1

MOTOR VEHICLE LEASE TAX AND MOTOR VEHICLE RENTAL FEE

The Commonwealth levies a 3% tax on the total lease price charged for each lease of a motor vehicle subject to tax under Article II of the Tax Reform Code of 1971.

A fee of \$2 per day or portion of a day is imposed on each rental of a motor vehicle subject to tax under Article II of the Tax Reform Code of 1971.

COMMON CARRIERS

Description: Vehicles leased or rented by a public utility, engaged in business as a common carrier, to be used in rendering utility services are exempt from taxation.

Purpose: Without this exemption, the tax would be built into the rate base of these types of public utility services and, ultimately, passed on to consumers. Therefore, this exemption reduces the overall cost of utility services which are considered to be basic necessities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Vehicle Leases:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	NA	NA	NA	NA	NA	NA	NA
<i>Estimates:</i>	Motor Vehicle Rentals:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	NA	NA	NA	NA	NA	NA	NA

Special Fund Tax Expenditures

SCHOOL BUSES

Description: The lease or rental of school buses is exempt from taxation. These buses must be used exclusively for the transportation of children for school purposes. The provision is extended to persons who have contracts with school districts to transport children. For the purposes of this analysis, the majority of these contracts are assumed to be leases.

Purpose: The costs of transporting school children are directly borne by school districts and indirectly by State government through subsidy programs. This exemption, while limiting state Public Transportation Assistance Fund revenues, decreases state educational subsidy costs.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Vehicle Leases:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 2.2	\$ 2.4	\$ 2.5	\$ 2.7	\$ 2.9	\$ 3.1	\$ 3.3
	Motor Vehicle Rentals:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.3	\$ 0.3

MOTOR CARRIERS (CLASS 4 AND ABOVE)

Description: Motor carriers in vehicle classes 4 and above are exempt from the motor vehicle lease tax.

Purpose: This exemption benefits those entities engaged in commercial leasing. Presumably, many of these vehicles are operated as common carriers which are normally treated as a utility service.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Vehicle Leases:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	NA	NA	NA	NA	NA	NA	NA

EXEMPT ORGANIZATIONS

Description: The lease or rental of personal property or services to or for use by any (1) charitable organization, (2) volunteer fireman's organization, (3) nonprofit educational institution or (4) religious organization is exempt from taxation. Transactions unrelated to the trade or business of such organizations are taxable as are materials, supplies and equipment purchased for use in connection with real estate.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Vehicle Leases:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	NA	NA	NA	NA	NA	NA	NA
	Motor Vehicle Rentals:						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	NA	NA	NA	NA	NA	NA	NA

Special Fund Tax Expenditures

EXEMPT GOVERNMENTAL UNITS

Description: The lease or rental of personal property or services to or for use by the Federal government, the commonwealth, or its instrumentalities or political subdivisions is exempt from taxation. Based on the criteria adopted to define tax expenditures, Federal transactions are not included in this study. Commonwealth transactions are also excluded because revenues would offset expenditures with no net effect. The estimates, therefore, represent local government tax expenditures. These estimates consider the impact of passenger vehicles and do not include possible expenditures for trucks or other vehicle types.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Vehicle Leases:						
	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 0.7	\$ 0.7	\$ 0.8	\$ 0.8	\$ 0.9	\$ 1.0	\$ 1.1
	Motor Vehicle Rentals:						
	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

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>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

SPECIAL STUDY: Personal Income Tax

Retirement Income and Social Security Benefits Tax Expenditure

As recommended by Act 180 of 1992¹, the Department of Revenue has prepared a study and assessment of a tax expenditure. The selected study explores the retirement income expenditure and specifically the expenditure resulting from the exclusion of social security retirement income from the Pennsylvania Individual Income Tax. Because Pennsylvania has the 2nd largest population of persons over 65 years old in the United States, the exclusion of social security income and other types of retirement income from the Pennsylvania Individual Income Tax² is a significant tax policy issue.

Social Security Income versus Retirement Income

Although all social security payments are excludable from Pennsylvania personal income tax, not all social security payments are defined as retirement income. Other social security payments include survivors insurance, disability insurance, supplemental security income, and part B of the black lung program. Likewise, social security retirement payments are not the only source of retirement income. Other common sources of retirement income include pensions, life insurance annuities, and individual retirement accounts (IRA's).

Reasons for Current Policy and Implications

Two main purposes for the exclusion of retirement income are to provide a benefit to persons who have spent a lifetime working and to maintain fairness in the tax system. One corollary to these purposes is that retired persons paid Pennsylvania income tax³ on all their income, including their retirement contributions, when it was earned. Thus the principal of their retirement benefits was already subjected to tax. The gain on retirement contributions, i.e., the investment income which allows for the increase between lifetime contributions and lifetime benefits, remains an untaxed gain for the benefit of retired persons.

In addition, a tax on fixed income may be considered unfair because many retired Pennsylvanians have limited economic responses to a change in tax policy. For example, a retired person can not react to an increase in tax rates by working longer hours (getting a second job), looking for a higher paying job, or raising prices. One alternative is for persons to migrate to a lower tax state⁴. Although some retired persons can afford to relocate and have few restrictions keeping them in Pennsylvania, for many others, relocating is not a feasible alternative. Thus, an income tax on the fixed income of retired citizens puts those taxpayers at an economic disadvantage relative to other taxpayers.

Data Methodology

Sources for the study include 1992 statistics from the U.S. Department of Health and Human Services and the Social Security Administration (a branch of HHS). Also used was a sample data model from 1992 Pennsylvania tax returns, 1992 Federal tax returns, and 1099-SSB information documents from 1991. The tax return sample data model was generated using a database process that joined Pennsylvania income tax returns with Federal income tax returns and Federal 1099 tax information documents. The sample is weighted based on Pennsylvania taxable income for 1992.

Overview of The Expenditure

The tax expenditure for retirement income for fiscal year 1992-1993 was estimated at \$881 million. Of the \$881 million, 43% or \$378 million, is attributable to tax forgone on social security retirement income. Social security retirement benefits equal about 75% of total social security payments made to Pennsylvanians in 1992. The other 25% includes survivors benefits, disability insurance, and supplemental security income (SSI).

Overview of Retirement Income

	Count	Dollars in Billions		
		Total	Retirement Income	Tax Expenditure
All Pennsylvania Tax Returns	5,360,945	\$ 153.8809	\$ 29.864	\$ 0.881
All Social Security 1099 Information Documents	2,513,000	\$ 17.9314	\$ 12.829	\$ 0.378
Social Security Benefits Paid to Persons Filing PA Tax Returns	1,086,018	\$ 8.6750	\$ 6.206	\$ 0.183

¹ Act 180 of 1992 expanded the amount of information required to be included in tax expenditure budgets. Section 624(D) recommends regular assessments demonstrating the success and effectiveness of specific expenditures. This topic is the first expenditure assessment prepared for inclusion in the tax expenditure budget.

² Article III of the Tax Reform Code of 1971, Paragraph 100-408 (ii & iii).

³ The Pennsylvania Individual Income Tax was not enacted until 1971. Previous income was subject to Federal and Local income taxes.

⁴ Estimated from Bureau of Census Data, as analyzed by Longino, that Pennsylvania sent 80,000 retirees to other states between 1985 and 1989, but received 57,000 retirees from other states during the same time period. Statistics from "Retirement Migration in America, 1970 to 1990" (Vacation Publications, Inc. Houston, 1994). Although Longino does not draw connection between retirement migration and taxes, it is reasonable to expect that tax effects are considered by individuals making retirement location decisions.

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The tax return sample data (the model) estimated the social security retirement expenditure for persons who actually filed tax returns. Not all social security recipients are required to file Federal or Pennsylvania tax returns⁵. The model estimated \$8.7 billion of social security income received by 1.086 million taxpayers. From these tax returns, using the above estimate that 75% of benefits are for retirement, it is estimated that these Pennsylvania taxpayers receive \$6.2 billion of social security retirement income not subjected to Pennsylvania income tax, and thus benefit from a \$183 million tax expenditure.

The model is useful for analyzing the economic makeup of those retirees who file tax returns. However, the sample model does not account for almost nine billion dollars of benefits and 1.4 million beneficiaries who do not file either a Pennsylvania or a Federal tax return (an average of \$6,307 per beneficiary). It is expected that these beneficiaries are not required to file a Federal tax return because they do not have enough taxable income or because they are included on someone else's return as a dependent. For example, approximately 140 thousand of these beneficiaries are classified as children.

Summary of Beneficiaries

Of the approximate 5.4 million tax returns filed with the Pennsylvania Department of Revenue in 1992, about 20% were from taxpayers who received social security benefits. The taxpayers receiving social security benefits account for 7% of Pennsylvania taxable income. By including federally taxable sources of retirement income for these taxpayers, including their social security income, the same 20% of taxpayers would account for 16% of total Pennsylvania taxable income. This segment of the taxpaying population has a greater input in the state economy than is normally associated with this group.

Analyzed on a per tax return basis, most persons who receive social security income have modest levels of other types of income. In Pennsylvania, 85% of tax returns from persons who receive social security, have less than \$19,000 of PA taxable income. Although retirement income such as pensions, annuities and IRA's are excluded from PA taxable income but included in Federal adjusted gross income (AGI), still almost 75% of these social security recipients have less than \$19,000 of Federal AGI. We can conclude that even after adding back the federally taxable sources of retirement income, most of these taxpayers still have modest incomes.

Comparing the income of social security recipients as a whole, to the PA taxable income of non-recipient taxpayers, three points are significant. First, retirement income, which is excluded from taxable income, is greater than total PA taxable net profits from all taxpayers. Second, total interest and dividend income for beneficiary taxpayers is almost equal to the total interest and dividend income of non-beneficiaries. Third, the relative importance of dividend and interest income to beneficiaries is much greater than the relative importance of dividend and interest income to non-beneficiaries. The high concentration of interest and dividend income in the beneficiary population can be partially explained by the fact that retired persons have had more years to accumulate wealth (savings and investments). So in addition to tax policies which specifically affect retirement income, this group of taxpayers will be more sensitive to tax policies which affect interest and dividend income.

Impact of Social Security Income Geographically Across Pennsylvania

The Social Security Administration provides detailed county level statistics about social security benefits. This information, combined with county population and income statistics, is useful when examining geographic differences in social security retirement benefits across the state.

Centre County has 11.7 persons per social security retirement recipient, the highest ratio in the state. This means they have relatively few senior citizens. This can be attributed to the presence of Pennsylvania State University as the major employer and job creator in the county. By contrast, Sullivan County has only 4.5 persons for every social security recipient.

Chester County has \$22.50 of taxable income reported for every dollar of social security retirement income received, the highest in the state. This is due to the combination of a low proportion of beneficiaries in the population, and a relatively high level of taxable income per person. Therefore, the income brought into Chester county by retirement benefits is less important than the income brought in by compensation, net profits, and other forms of taxable income. By contrast, Philadelphia has only \$8.20 of taxable income for every dollar of social security retirement benefits.

Analysis of Base vs. Rate: Need for the Retirement Expenditure

Most tax policy analysis can be interpreted as the relationship between tax rate and tax base. State revenue increases or decreases can be met by changing either the tax rate, the tax base or both. However, tax policy should consider how taxpayers alter their economic behavior in response to such changes. Widespread changes in economic behavior can dampen or magnify the calculated change in revenues.

A simple tax rate versus tax base analysis is useful in showing the importance of the retirement income tax expenditure to different taxpayers. It also helps to show that calculating the cost of the expenditure is more complex than just multiplying income

⁵ If a person has income below the amount of their personal exemption and standard deduction, then they are not required to file a Federal tax return. For a married couple over 65, this is approximately \$13,000. If a person has only PA non-taxable income, such as income that is exclusively social security and pension, they are not required to file a PA tax return.

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by the rate. Persons most affected by increased taxes make rational adjustments to avoid higher taxes, in turn, decreasing the amount of revenue generated by the change.

The analysis compares tax rates needed to generate the same amount of revenue, i.e., revenue neutral rates, if the tax base changed from the current Pennsylvania taxable income to Federal adjusted gross income (AGI). For persons who receive social security benefits, 90% of the difference between PA taxable income and AGI is due to retirement income. Retirement income included in AGI but excluded from PA taxable income include pensions, annuities, IRA distributions, and taxable social security benefits. For the purpose of this analysis, changing the tax base for retired persons is the same as eliminating the retirement income exclusion.

Tax Expenditures Revenue Neutral Rates for Three Groups of Taxpayers Using Federal Adjusted Gross Income in Place of PA Taxable Income

	Groups of Tax Returns				
	Base 1	Tax Rate	Base 2	Non-Uniform Tax Rates	Avg Increase in Tax
	PA Taxable Income	Current	Federal AGI	Revenue Neutral	2.6% Rate & Fed Base
SS Beneficiaries w/ less than \$30,000 PA Taxable Income	\$ 6,001,820,888	2.80%	\$ 14,591,954,451	1.20%	125.8%
SS Beneficiaries w/ greater than \$30,000 PA Taxable Income	4,713,457,156	2.80%	5,651,782,264	2.40%	11.3%
Other PA Returns, Non Beneficiaries ...	143,165,671,956	2.80%	147,021,853,154	2.70%	-4.6%
Total - All PA Tax Returns	\$ 153,880,950,000	2.80%	\$ 167,265,589,869	2.60%	0.9%

The analysis compares three groups of taxpayers: social security beneficiaries with current PA taxable income under \$30,000; beneficiaries with PA taxable income over \$30,000; and all other PA taxpayers (non-beneficiaries).

For the third group of taxpayers, the non-beneficiaries, the difference between PA taxable income and Federal AGI is less significant. The reasons for the difference vary and are not directly significant to this analysis

Non-Uniform Rate Reduction

The Pennsylvania Supreme Court has ruled that non-uniform tax rates are unconstitutional in Pennsylvania, so any discussion of a non-uniform rate is purely **hypothetical**. For example, the tax law would need to change such that "retired persons" pay rate x, and "non-retired" persons pay rate y. The definition could be based strictly on age, and/or a definition similar to social security qualifications. In this analysis, to provide a revenue neutral tax change that eliminates the retirement expenditure by changing to the Federal base, the retired persons would have their tax rate reduced from 2.8% to 1.2%. Non-retired persons would have their tax rate reduced from 2.8% to 2.7%. The group that would benefit greatly from this change might be retired persons with current PA taxable income over \$30,000. On average, these taxpayers would see their taxable income increase by \$13,000, but because of the rate reduction, would see their tax liability drop 57%, from over \$2,000 per return to under \$1,000 per return. Although these persons would benefit greatly from this change, they represent only about 1% of all Pennsylvania taxpayers.

Uniform Rate Reduction

If the retirement tax expenditure was eliminated, and an overall "revenue neutral" tax rate reduction of 0.2% was implemented, social security beneficiaries with current income under \$30,000 would pay, on average, more than double their current taxes. Beneficiaries with income over \$30,000 would face a 9% increase in their tax bill, and all other Pennsylvania taxpayers would benefit from a 5% decrease in their tax bill. Overall, the change would be revenue neutral (+/-1%). This uniform rate reduction in conjunction with the elimination of the retirement expenditure would impact hardest the nearly 1 million taxpayers who would have their taxes double. Furthermore, this analysis understates the problem because retired persons currently with zero PA taxable income are excluded from these statistics. Using a uniform tax rate decrease, the retirement income tax expenditure, including or excluding social security income, could not be eliminated from the Pennsylvania tax structure without significant impact to persons receiving this benefit. The doubling of tax liabilities for persons who already have relatively modest incomes, would certainly result in changed economic behavior, the most radical being relocation of residency from Pennsylvania to an alternative low income tax state. For persons who can not relocate, which are likely to be persons with small fixed incomes, the

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necessary response would be reduced spending. In either case, the changed behavior reduces the tax base by reducing both total taxable income and consumption of taxable goods and services. The overall impact of this hypothetical revenue neutral change may actually be a decrease in tax revenues. The full extent of this dynamic reduction in revenue is difficult to estimate and may be a subject of further study.

Conclusion

The majority of taxpayers who benefit from the exclusion of social security income and the exclusion of retirement income from Pennsylvania taxable income are older Pennsylvanians with limited incomes. Three-fourths of the social security recipient's tax returns examined in this study showed that both state taxable income and federal adjusted gross income was less than \$19,000. Furthermore, there are 940 thousand retired Pennsylvania taxpayers who have an average federal adjusted income of \$15,530 and pay, on average, 50% less in state taxes than they otherwise would pay without the benefit of the retirement tax expenditure. More often than not, retired taxpayers have limited incomes and benefit from low state taxes due to the exclusion of retirement income.


Because of Pennsylvania's large retired and older population, any change to the retirement income expenditure would have numerous effects. Not only do older Pennsylvanians share common sources of "retirement" income, such as social security, pensions and annuities, they also have a significant portion of Pennsylvania's interest and dividend income. The State benefits by low effective tax rates on retired persons because it encourages persons to maintain their residence in Pennsylvania or encourages them to move to Pennsylvania. The consumption of taxable goods and services by these taxpayers, in addition to the income tax they do pay, helps the overall economy.

Over the next 10 years the demographics and income characteristics of Pennsylvania's older taxpayers should change. Doing this initial study of the retirement income tax expenditure and by improving and refining this study over time, the Commonwealth will have the information needed for maintaining an equitable tax structure in light of a constantly changing population and work force.



Governor's Executive Budget

*DEPARTMENT
PRESENTATIONS*



Commonwealth of Pennsylvania

Governor's Office

The Governor directs and coordinates the work of State Government and guides the programs of the agencies in the direction that assures compliance with existing legislation, definable needs and administration goals.

GOVERNOR'S OFFICE

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
<u>GENERAL FUND</u>			
<i>GENERAL GOVERNMENT:</i>			
Governor's Office	\$ 7,288 ^a	\$ 7,458 ^b	\$ 6,712
Portrait of Former Governor .....	.....	.....	7
GENERAL FUND TOTAL	\$ 7,288	\$ 7,458	\$ 6,719

^a Actually appropriated as Governor's Office \$6,436,000 plus \$852,000 in reimbursements (including \$147,000 Special Fund monies) from agencies.

^b Actually appropriated as Governor's Office \$6,606,000 plus \$852,000 in reimbursements (including \$147,000 Special Fund monies) from agencies.

GOVERNOR'S OFFICE

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
EXECUTIVE DIRECTION							
General Funds.....	\$ 7,288	\$ 7,458	\$ 6,719	\$ 6,987	\$ 7,225	\$ 7,500	\$ 7,793
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
TOTAL.....	\$ 7,288	\$ 7,458	\$ 6,719	\$ 6,987	\$ 7,225	\$ 7,500	\$ 7,793
ALL PROGRAMS:							
GENERAL FUND.....	\$ 7,288	\$ 7,458	\$ 6,719	\$ 6,987	\$ 7,225	\$ 7,500	\$ 7,793
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
TOTAL.....	\$ 7,288	\$ 7,458	\$ 6,719	\$ 6,987	\$ 7,225	\$ 7,500	\$ 7,793

GOVERNOR'S OFFICE

PROGRAM OBJECTIVE: To provide an effective administrative system through which the substantive programs of the Commonwealth can be accomplished.

Program: Executive Direction

This program provides for the Office of the Governor in whom the executive authority of the Commonwealth is vested. It supports the Governor in performing his functions as delegated by the State Constitution and laws passed by the General Assembly.

This program also includes funding for staff to assist with the

legislative, policy development and research, administrative and public information functions required of the office, operation of Pennsylvania's Liaison Office in Washington, D.C., and official entertainment and household expenses at the Governor's Home.


Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

- Governor's Office**
\$ -746 —a 10% reduction in spending and discontinuance of interagency billings for press services.
- Portrait of Former Governor**
\$ 7 —to provide for a portrait of the former Governor.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Governor's Office	\$ 7,288	\$ 7,458	\$ 6,712	\$ 6,987	\$ 7,225	\$ 7,500	\$ 7,793
Portrait of Former Governor .....	.....	.....	7	.....	.....	.....	.....
TOTAL GENERAL FUND	<u>\$ 7,288</u>	<u>\$ 7,458</u>	<u>\$ 6,719</u>	<u>\$ 6,987</u>	<u>\$ 7,225</u>	<u>\$ 7,500</u>	<u>\$ 7,793</u>



Commonwealth of Pennsylvania

Executive Offices

To aid the Governor, the Office of Administration performs the duties of a central management agency and coordinates the Commonwealth's Integrated Central System. The Office of the Budget performs the duties of a central financial management agency, prepares the annual Governor's Budget and Five Year Financial Plan based upon the Governor's priorities and analysis of program effectiveness, and provides comptroller services for the maintenance and management of all agency accounts in the Commonwealth. The Office of Welfare Fraud investigates and recovers funds disbursed as a result of fraud or overpayment of benefits. The Human Relations Commission and the Pennsylvania Commission for Women promote equal opportunities for all people in employment, housing, public accommodations and education. The Council on the Arts provides for encouragement and development of the arts in Pennsylvania. The Commission on Crime and Delinquency provides the planning and technical assistance for the improvement of the criminal justice system as well as financial assistance to relieve the financial hardship of individuals who have been victimized by criminal acts. The Public Employee Retirement Commission monitors public employee retirement plans to assure their actuarial viability. The Office of General Counsel provides legal counsel in matters affecting the operation of State agencies. The Juvenile Court Judges Commission provides technical and financial assistance to the juvenile probation staffs of the county courts. The Medical Professional Liability Catastrophe Loss Fund makes claim payments in certain medical malpractice cases. The Inspector General investigates suspected improper use of State resources.

EXECUTIVE OFFICES

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
Governor's Action Center	\$ 263	\$ 297	....
Office of Administration	5,546	6,435	\$ 6,938
(F) SABG — State Employee Assistance Program	626	....	....
(F) Electronic Records Management	84	48	....
(F) HealthNet — Commerce .....	....	380	....
(F) HealthNet — HHS .....	....	500	....
(F) Kiosk Project .....	....	125	....
(A) Classification and Pay	2,067	2,136	2,182
(A) State Employee Assistance Program .....	....	883	943
(A) CMIC/Data Communications	17,048	17,059	15,495
(A) CMIC/Data Communications — Special Projects	240	735	325
(A) BMS/Directives Management	1,217	1,332	1,363
(A) BATM	1,233	1,428	1,428
(A) Labor Relations	18	12	12
(A) Division of State Employment	48	52	53
(A) Temporary Employment Pool	3,013	3,560	4,161
(A) AIDS Education	703	369	363
(A) Miscellaneous Projects	37	274	....
Subtotal — State Funds	\$ 5,546	\$ 6,435	\$ 6,938
Subtotal — Federal Funds	710	1,053	....
Subtotal — Augmentations	25,624	27,840	26,325
Total — Office of Administration	\$ 31,880	\$ 35,328	\$ 33,263
Radio System Development .....	....	\$ 370	\$ 370
Medicare Part B Penalties	\$ 436	550	480
Inspector General	2,011	1,997	1,930
(A) Support for PennDOT Satellite Office	1,501	1,397	1,301
Total — Inspector General	\$ 3,512	\$ 3,394	\$ 3,231
Office of the Budget	\$ 27,722	\$ 26,669	\$ 27,421
(F) JTPA — Program Accountability	350	590	425
(F) Medical Assistance In-Patient Hospital Audits .....	....	3,703	3,703
(A) Commonwealth Payroll Operations	2,981	6,468	6,907
(A) Support for PLCB Comptroller Operations	5,876	6,453	6,727
(A) Support for Comptroller Services	17,289	18,638	24,075
Subtotal — State Funds	\$ 27,722	\$ 26,669	\$ 27,421
Subtotal — Federal Funds	350	4,293	4,128
Subtotal — Augmentations	26,146	31,559	37,709
Total — Office of the Budget	\$ 54,218	\$ 62,521	\$ 69,258
Transportation & Safety Building Fire and Relocation .....	....	\$ 6,777	....
Audit Payments to HHS	\$ 27,347	....	....
Audit of the Auditor General .....	....	130	....
Office of Welfare Fraud .....	....	10,955	\$ 13,302
(F) Food Stamp — Program Accountability .....	....	3,401	2,900
(F) Child Support Enforcement .....	....	1,395	....
(F) Maintenance Assistance — Program Accountability .....	....	1,200	1,380
(F) Medical Assistance — Program Accountability .....	....	648	480
Subtotal — State Funds .....	....	\$ 10,955	\$ 13,302
Subtotal — Federal Funds .....	....	6,644	4,760
Total — Office of Welfare Fraud .....	....	\$ 17,599	\$ 18,062

^a Includes recommended supplemental of \$6,777,000.

EXECUTIVE OFFICES

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
<i>GENERAL GOVERNMENT: (continued)</i>			
Human Relations Commission	\$ 8,232 ^a	\$ 8,474 ^b	\$ 8,530
(F) EEOC — Special Project Grant	1,086	1,500	1,500
(F) HUD — Special Project Grant	194	395	590
Subtotal — State Funds	\$ 8,232	\$ 8,474	\$ 8,530
Subtotal — Federal Funds	1,280	1,895	2,090
Total — Human Relations Commission	\$ 9,512	\$ 10,369	\$ 10,620
Council on the Arts	\$ 824 ^c	\$ 875 ^d	\$ 875
(F) NEA — Grants to the Arts — Administration	75	75	100
Total — Council on the Arts	\$ 899	\$ 950	\$ 975
Commission for Women	\$ 322 ^e	\$ 346 ^f	\$ 358
(A) Special Projects	11	....	....
Total — Commission for Women	\$ 333	\$ 346	\$ 358
Distinguished Daughters	\$ 5	\$ 6	....
Juvenile Court Judges Commission	\$ 588	\$ 695	\$ 804
(F) DCSI — Juvenile Disposition Data Collection .....	....	206	137
Total — Juvenile Court Judges Commission	\$ 588	\$ 901	\$ 941
Commission on Crime and Delinquency	\$ 2,368 ^g	\$ 3,065 ^h	\$ 3,010
(F) Plan for Juvenile Justice	195	195	210
(F) Offender Based Transaction Statistics .....	....	3	....
(F) DCSI — Administration	495	618	618
(F) DCSI — Program Grants	18,270	18,200	19,000
(F) DCSI — Criminal History Records	8	10	10
(F) Homicides and Assaults in Convenience Stores	20	30	40
(F) Juvenile Justice — Title V .....	....	27	50
(F) Crime Victims Payments	1,592	1,358	1,189
(F) Statistical Analysis Center .....	....	50	....
(F) National Criminal History Improvement Program .....	....	....	4,017
(F) DFSC — Drug Abuse Resistance Education (DARE)	63	70	70
(F) Incident-Based Crime Reporting System	167	....	....
(A) Deputy Sheriff's Education and Training	215	282	275
(A) Special Projects	2,009	....	10
Subtotal — State Funds	\$ 2,368	\$ 3,065	\$ 3,010
Subtotal — Federal Funds	20,810	20,561	25,204
Subtotal — Augmentations	2,224	282	285
Total — Commission on Crime and Delinquency	\$ 25,402	\$ 23,908	\$ 28,499

^a Excludes \$9,000 for discontinued interagency billing.

^b Excludes \$9,000 for discontinued interagency billing.

^c Excludes \$9,000 for discontinued interagency billing.

^d Excludes \$9,000 for discontinued interagency billing.

^e Excludes \$4,000 for discontinued interagency billing.

^f Excludes \$4,000 for discontinued interagency billing.

^g Includes \$605,000 appropriated to Crime Victims Compensation Board.

^h Includes \$657,000 appropriated to Crime Victims Compensation Board.

EXECUTIVE OFFICES

Summary by Fund and Appropriation

GENERAL FUND

(Dollar Amounts in Thousands)

	1993-94 Actual	1994-95 Available	1995-96 Budget
GENERAL GOVERNMENT: (continued)			
Office of General Counsel	\$ 1,771	\$ 1,813	\$ 3,160
Health Facility Hearing Board	187	201	....
Health Care Arbitration Panels	240	706	....
MILRITE Council	255	350	....
(A) Special Projects	25	....	....
Total — MILRITE Council	\$ 280	\$ 350	....
Public Employee Retirement Commission	\$ 513	\$ 546	\$ 602
Drug Policy Council	38	39	....
(F) DCSI — Administration	49	50	....
(F) DFSC — Administration	176	200	....
(A) Special Projects .....	....	20	....
Subtotal — State Funds	\$ 38	\$ 39	....
Subtotal — Federal Funds	225	250	....
Subtotal — Augmentations .....	....	20	....
Total — Drug Policy Council	\$ 263	\$ 309	....
Subtotal — State Funds	\$ 78,668	\$ 71,296	\$ 67,780
Subtotal — Federal Funds	23,450	34,977	36,419
Subtotal — Augmentations	55,531	61,098	65,620
Total — General Government	\$ 157,649	\$ 167,371	\$ 169,819
GRANTS AND SUBSIDIES:			
Grants to the Arts	\$ 8,977	\$ 9,000	\$ 9,000
(F) NEA — Grants	999	1,400	1,300
Total — Grants to the Arts	\$ 9,976	\$ 10,400	\$ 10,300
Improvement of Juvenile Probation Services	\$ 4,332	\$ 4,770	\$ 3,478
(F) DCSI — Juvenile Drug and Alcohol Probation Units	657	219	....
(F) Juvenile Probation Emergency Assistance Services .....	....	....	50,000
Total — Improvement of Juvenile Probation Services	\$ 4,989	\$ 4,989	\$ 53,478
Crime Prevention Programs	\$ 400	....	....
Intermediate Punishment Program .....	....	\$ 5,331 ^a	\$ 5,331
Labor Management Committee	700	660	....
Subtotal — State Funds	\$ 14,409	\$ 19,761	\$ 17,809
Subtotal — Federal Funds	1,656	1,619	51,300
Total — Grants and Subsidies	\$ 16,065	\$ 21,380	\$ 69,109
STATE FUNDS	\$ 93,077	\$ 91,057	\$ 85,589
FEDERAL FUNDS	25,106	36,596	87,719
AUGMENTATIONS	55,531	61,098	65,620
GENERAL FUND TOTAL	\$ 173,714	\$ 188,751	\$ 238,928

MOTOR LICENSE FUND

GENERAL GOVERNMENT:

Office of the Budget	\$ 4,847	\$ 3,995	\$ 4,148
(A) Reimbursement for Comptroller Services	588	842	966
MOTOR LICENSE FUND TOTAL	\$ 5,435	\$ 4,837	\$ 5,114

LOTTERY FUND

GENERAL GOVERNMENT:

Ridership Verification	\$ 100	\$ 114	\$ 117
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^a Actually appropriated to the Board of Probation and Parole.

EXECUTIVE OFFICES

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
OTHER FUNDS			
GENERAL FUND:			
Constables' Education and Training	\$ 14	\$ 1,500	\$ 1,500
Crime Victim Payments	2,881	3,030	3,448
Victim/Witness Services	2,110	2,864	3,100
Health Care Arbitration Panels	598	.....	.....
Federal Juvenile Justice and Delinquency Prevention	2,330	2,300	2,600
Federal Crime Victims Assistance	2,880	2,900	2,900
Federal Juvenile Justice — Title V .....	.....	400	1,000
GENERAL FUND TOTAL	<u>\$ 10,813</u>	<u>\$ 12,994</u>	<u>\$ 14,548</u>
MEDICAL PROFESSIONAL LIABILITY CATASTROPHE LOSS FUND:			
General Government Operations	\$ 14,019	\$ 18,700	\$ 20,330
Payment of Claims	164,850	172,500	170,000
MEDICAL PROFESSIONAL LIABILITY CATASTROPHE LOSS FUND TOTAL	<u>\$ 178,869</u>	<u>\$ 191,200</u>	<u>\$ 190,330</u>
OTHER FUNDS TOTAL	<u>\$ 189,682</u>	<u>\$ 204,194</u>	<u>\$ 204,878</u>
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 93,077	\$ 91,057	\$ 85,589
SPECIAL FUNDS	4,947	4,109	4,265
FEDERAL FUNDS	25,106	36,596	87,719
AUGMENTATIONS	56,119	61,940	66,586
OTHER FUNDS	189,682	204,194	204,878
TOTAL ALL FUNDS	<u>\$ 368,931</u>	<u>\$ 397,896</u>	<u>\$ 449,037</u>

EXECUTIVE OFFICES

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
EXECUTIVE DIRECTION							
General Funds.....	\$ 65,263	\$ 56,688	\$ 51,043	\$ 52,870	\$ 54,507	\$ 56,711	\$ 58,748
Special Funds.....	4,947	4,109	4,265	4,440	4,591	4,766	4,952
Federal Funds.....	1,285	12,240	8,888	5,185	5,185	5,185	5,185
Other Funds.....	233,351	252,858	256,631	262,411	271,331	281,641	292,624
TOTAL.....	\$ 304,846	\$ 325,895	\$ 320,827	\$ 324,906	\$ 335,614	\$ 348,303	\$ 361,509
LEGAL SERVICES							
General Funds.....	\$ 1,771	\$ 1,813	\$ 3,160	\$ 3,290	\$ 3,402	\$ 3,531	\$ 3,669
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
TOTAL.....	\$ 1,771	\$ 1,813	\$ 3,160	\$ 3,290	\$ 3,402	\$ 3,531	\$ 3,669
PREVENTION AND ELIMINATION OF DISCRIMINATORY PRACTICES							
General Funds.....	\$ 8,554	\$ 8,820	\$ 8,888	\$ 9,253	\$ 9,568	\$ 9,932	\$ 10,320
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	1,280	1,895	2,090	2,090	2,090	2,090	2,090
Other Funds.....	11	0	0	0	0	0	0
TOTAL.....	\$ 9,845	\$ 10,715	\$ 10,978	\$ 11,343	\$ 11,658	\$ 12,022	\$ 12,410
DEVELOPMENT OF ARTISTS AND AUDIENCES							
General Funds.....	\$ 9,801	\$ 9,875	\$ 9,875	\$ 9,911	\$ 9,942	\$ 9,978	\$ 10,016
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	1,074	1,475	1,400	1,400	1,400	1,400	1,400
Other Funds.....	0	0	0	0	0	0	0
TOTAL.....	\$ 10,875	\$ 11,350	\$ 11,275	\$ 11,311	\$ 11,342	\$ 11,378	\$ 11,416
CRIMINAL AND JUVENILE JUSTICE PLANNING							
General Funds.....	\$ 2,768	\$ 8,396	\$ 8,341	\$ 8,464	\$ 8,571	\$ 8,694	\$ 8,825
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	20,810	20,561	25,204	25,204	25,204	25,204	25,204
Other Funds.....	12,439	13,276	14,833	15,174	15,469	15,809	16,171
TOTAL.....	\$ 36,017	\$ 42,233	\$ 48,378	\$ 48,842	\$ 49,244	\$ 49,707	\$ 50,200
REINTEGRATION OF JUVENILE DELINQUENTS							
General Funds.....	\$ 4,920	\$ 5,465	\$ 4,282	\$ 4,384	\$ 4,411	\$ 4,447	\$ 4,485
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	657	425	50,137	22,068	22,000	22,000	22,000
Other Funds.....	0	0	0	0	0	0	0
TOTAL.....	\$ 5,577	\$ 5,890	\$ 54,419	\$ 26,452	\$ 26,411	\$ 26,447	\$ 26,485

EXECUTIVE OFFICES

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
ALL PROGRAMS:							
GENERAL FUND.....	\$ 93,077	\$ 91,057	\$ 85,589	\$ 88,172	\$ 90,401	\$ 93,293	\$ 96,063
SPECIAL FUNDS.....	4,947	4,109	4,265	4,440	4,591	4,766	4,952
FEDERAL FUNDS.....	25,106	36,596	87,719	55,947	55,879	55,879	55,879
OTHER FUNDS.....	245,801	266,134	271,464	277,585	286,800	297,450	308,795
TOTAL.....	\$ 368,931	\$ 397,896	\$ 449,037	\$ 426,144	\$ 437,671	\$ 451,388	\$ 465,689
	=====	=====	=====	=====	=====	=====	=====

EXECUTIVE OFFICES

PROGRAM OBJECTIVE: To provide an effective administrative system through which the substantive programs of the Commonwealth can be achieved.

Program: Executive Direction

The Executive Direction Program provides administrative support and policy direction for implementing, maintaining and monitoring the substantive programs of the Commonwealth.

The Office of Administration provides policy direction and administrative support. Centralized personnel services insure equity by maintaining the classification, pay and benefits systems, negotiating and administering collective bargaining agreements between the Commonwealth and the various unions representing State employees under the provisions of the Public Employee Relations Act of 1970, recruiting for all non-civil service positions, training in management and supervisory skills, and administering the Commonwealth's affirmative action process and programs. The Office of Administration also conducts management studies on State programs to improve their operation, administration and organization.

The Office of Administration provides a State Employee Assistance Program (SEAP) to educate and promote early intervention for alcohol, drug, emotional and other personal problems which adversely affect employee performance through an established referral, evaluation and treatment process.

Also, the Office of Administration administers the AIDS Education Program which provides and coordinates basic, advanced and specialized AIDS education to all Commonwealth employees.

The Office of Administration provides direction in areas related to Workers Compensation to improve the program's operation and supports the Administration's plans for collective bargaining and implementing the results.

In addition, the Office of Administration maintains the Central Management Information Center (CMIC) which is the data processing service center for all Commonwealth central administrative systems as well as providing specialized management information system support for requesting agencies. The center manages and maintains the Commonwealth's payroll, personnel, accounting and retirement systems for all agencies under the Governor's jurisdiction.

In addition to functioning as a service bureau, CMIC is responsible for the Integrated Central System (ICS) projects which are designed to move the Commonwealth's administrative systems, both manual and automated, into real-time information resources for all Commonwealth managers. These projects greatly expedite various processes and ultimately affect administrative action by capturing data at its point of origin, electronically transmitting the information through approval channels to the central computer system, and validating the integrated system for access and manipulation by all authorized users. Beginning in 1986, the various Commonwealth processes were brought on-line, starting with the accounting functions and part of the purchasing module. In 1991-92, the ICS Personnel/Payroll module came on-line.

The Bureau of Automated Technology Management provides executive

direction in areas related to electronic data processing and telecommunications by approving all Commonwealth EDP and telecommunications resource acquisitions. They also establish Commonwealth policy governing the acquisition, management, utilization and security of these resources.

Both the Data and Voice networks are under the authority of the Office of Administration and provide centralized communication services to all Commonwealth agencies.

Also under Executive Direction is the Office of Inspector General who is charged with investigating suspected improper use of State resources. The Inspector General also provides leadership, coordination and administrative control over satellite Inspector General Offices in designated executive agencies.

Effective July 1, 1994, the Inspector General assumed the responsibilities for detecting welfare fraud. The Office of Welfare Fraud works to investigate and recover State and Federal funds disbursed as a result of fraud or overpayment of benefits. The areas of focus include medical and maintenance assistance, child support and food stamps.

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 office also prepares fiscal notes and reviews proposed regulations as mandated by Act 149 of 1978.

In addition, the Office of the Budget provides accounting, auditing and financial advisory and supportive services to all Commonwealth agencies and is responsible for maintenance of the ICS accounting system.

The Public Employee Retirement Commission provides an ongoing mechanism to monitor public employee retirement plans in the Commonwealth. The commission also provides technical assistance to the General Assembly and the Governor in conjunction with their consideration of public pension legislation.

The Health Care Services Malpractice Act established the Medical Professional Liability Catastrophe Loss Fund to provide a source of funds to pay for judgments, awards or settlements in medical malpractice claims which exceed the basic limits of coverage provided by the professional liability insurance policy. The act mandates this basic coverage to be \$200,000 per occurrence for individuals and hospitals, and \$600,000 per annual aggregate for individuals and \$1 million for hospitals. Funding is provided by levying an annual surcharge on all health care providers. In addition, the Fund has full responsibility to defend and/or settle any claim filed more than four years after the tort or breach of contract occurred which is not otherwise barred by the Statute of Limitations. A Statement of Cash Receipts and Disbursements for the fund is included in the Special Funds Appendix. The fund expenditures are also reflected as other funds in the Executive Offices Summary by Fund and Appropriation.

EXECUTIVE OFFICES

Program: Executive Direction (continued)

Appropriations within this Program: (continued)

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
MOTOR LICENSE FUND:							
Office of the Budget	<u>\$ 4,847</u>	<u>\$ 3,995</u>	<u>\$ 4,148</u>	<u>\$ 4,318</u>	<u>\$ 4,465</u>	<u>\$ 4,635</u>	<u>\$ 4,816</u>
LOTTERY FUND:							
Office of the Budget — Ridership							
Verification	<u>\$ 100</u>	<u>\$ 114</u>	<u>\$ 117</u>	<u>\$ 122</u>	<u>\$ 126</u>	<u>\$ 131</u>	<u>\$ 136</u>

EXECUTIVE OFFICES

PROGRAM OBJECTIVE: To provide legal advice to the Governor and the Cabinet, and to supervise, coordinate and administer legal services for the Commonwealth.

Program: Legal Services

The Office of the General Counsel is headed by the General Counsel, who serves as the chief legal advisor to the Governor. The General Counsel has the responsibility to appoint deputy general counsel, the chief counsel and assistant counsel in each agency and to supervise, coordinate and administer legal services throughout the Executive Branch.

There are several areas of responsibility for the Office of General Counsel. The major responsibility is to provide general legal advice to the Governor, his staff and the Cabinet. This includes rendering legal advice and representation concerning matters and issues arising in connection with the operation of agencies under the Governor's jurisdiction. The office and agency chief counsel review and approve for form and legality all Commonwealth deeds, leases, contracts, rules and regulations. The Office of General Counsel provides advice to the Governor on pending legislative matters and issues and reviews for constitutionality and legality all legislation presented to the Governor for approval.

The Office of General Counsel also is responsible for initiating appropriate actions or defending the Commonwealth when the Attorney General delegates or declines to initiate appropriate proceedings. It also has the authority to intervene in any action by or against an agency under the Governor's jurisdiction whenever the Governor shall request.

The General Counsel administers the operations of the Juvenile Court Judges Commission. The General Counsel also provides the legal representation for the Pennsylvania Public Television Network.

In addition, the General Counsel serves as a member of the Board of Commissioners on Uniform State Laws, the Pennsylvania Emergency Management Agency, the Joint Committee on Documents, the Board of Property, the Local Government Records Committee, the Medical Advisory Board, the Board of Finance and Revenue, and the Civil Disorder Commission.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Office of General Counsel
\$ 1,347 —to continue current program.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Office of General Counsel	\$ 1,771	\$ 1,813	\$ 3,160	\$ 3,290	\$ 3,402	\$ 3,531	\$ 3,669

EXECUTIVE OFFICES

PROGRAM OBJECTIVE: To insure equal opportunities and participation for all individuals regardless of race, color, creed, handicap or disability, ancestry, national origin, familial status, age or sex in all areas of employment, housing, commercial property, public accommodations and education.

Program: Prevention and Elimination of Discriminatory Practices

The Human Relations Commission is responsible for identifying, preventing and eliminating illegal discriminatory practices as defined by the Pennsylvania Human Relations Act and the Pennsylvania Fair Educational Opportunities Act. The two principal methods utilized by the commission to secure compliance with the law are processing complaints of discrimination which might result in legal proceedings being initiated, and providing technical assistance to organizations, businesses, governmental bodies and individuals to promote voluntary compliance.

Processing formal complaints continues to be the major activity of the commission.

Substantial resources are also devoted to providing technical assistance to anyone who requests guidance in avoiding illegal discriminatory acts. The commission coordinates the State's response to racial and ethnic tensions and trains law enforcement officials 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's efforts to identify and remedy systemic discrimination will continue. This approach addresses major problems of discrimination against whole classes of employees. In addition, litigation remains a significant feature of the commission's workload.

Act 51 of 1991 amended the Human Relations Act to prohibit housing discrimination against families with children and to make numerous changes in procedures and remedies. The commission has promulgated new regulations and revised publications to reflect the legislation.

Act 187 of 1992 amended the Pennsylvania Fair Educational Opportunities Act to add protection for people with disabilities and to strengthen enforcement procedures and remedies.

The Commission for Women functions as the Commonwealth's advocate for women and is responsible for developing and implementing policies and programs that work to ensure equal opportunity.

A large part of the work of the commission is the distribution of information on subjects that affect equal opportunities and full participation. The agency utilizes five major methods of disseminating information: publication of a periodical mailed directly to groups and individual leaders; publication of handbooks or checklists on specific subjects; distribution of news releases and other information to press and broadcast media; speeches to groups and broadcast appearances; and the provision of information to individuals requesting assistance, often distributed through legislative offices.

Citizens contact the commission seeking information or assistance in redress of discrimination. Response includes appropriate information, copies of publications and referrals to government or private agencies.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Human Relations Commission:							
Formal complaint investigation:							
Complaints pending at beginning of year	6,979	7,679	8,479	9,329	10,229	11,129	12,029
New complaints filed	5,668	5,700	5,800	5,900	5,900	5,900	5,900
Complaints closed	4,950	4,900	4,950	5,000	5,000	5,000	5,000
Complaints pending at end of year	7,697	8,479	9,329	10,229	11,129	12,029	12,929
Informal complaints received	29,465	30,000	30,000	30,000	30,000	30,000	30,000
Commission For Women:							
Information to organizations and individuals	106,500	109,800	110,000	110,500	111,000	111,200	111,300
Public education efforts, media contacts and speeches	238	245	250	255	258	260	262

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 56	Human Relations Commission	\$ 12	Commission for Women
	—to continue current program.		—to continue current program.

EXECUTIVE OFFICES

Program: Prevention and Elimination of Discriminatory Practices (continued)

Appropriations within this Program: _____

	(Dollar Amounts in Thousands)						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
GENERAL FUND:							
Human Relations Commission	\$ 8,232	\$ 8,474	\$ 8,530	\$ 8,880	\$ 9,182	\$ 9,531	\$ 9,903
Commission for Women	322	346	358	373	386	401	417
TOTAL GENERAL FUND	<u>\$ 8,554</u>	<u>\$ 8,820</u>	<u>\$ 8,888</u>	<u>\$ 9,253</u>	<u>\$ 9,568</u>	<u>\$ 9,932</u>	<u>\$ 10,320</u>

EXECUTIVE OFFICES

PROGRAM OBJECTIVE: To increase public exposure to quality artistic and cultural programs and to stimulate a climate that offers opportunities and encouragement to artists.

Program: Development of Artists and Audiences

The Commonwealth encourages cultural development in the arts through matching grants-in-aid to arts organizations and through service programs initiated by the Council on the Arts. The organizations and artists served are geographically, culturally and ethnically diverse and range from small community organizations that engender and support local arts programs to world-renowned orchestras, museums, dance companies, theatres and festivals.

The council process depends upon 17 advisory panels, each chaired by a council member and composed of nine to ten professionals in each program area. The peer review panels are the cornerstone of the decision-making process and provide the method that assures applications receive the most informed and objective review possible. Panels also review program structure and recommend needed changes in policy and procedures.

The Pennsylvania Council on the Arts functions in three ways to

support and assist the arts in the Commonwealth: a grant program that responds to applications, program initiatives that address issues that are beyond the capacity of a single arts institution, and staff services and technical assistance to arts and community organizations. The first two involve direct expenditure of grant funds as well as the administrative costs of staff, panelists and specialists. The third is carried out by the program staff, panelists and council members, and is supported entirely by the administrative appropriation.

The grant program provides funds to nonprofit arts organizations for general support, support of specific arts projects, technical assistance, touring and administrative and artistic development. The grant program also funds the Minority Arts Program which encourages minority, traditional and ethnic artists and ensembles to participate to a greater extent in the Arts in Pennsylvania. Fellowships are awarded to provide support for creative work of individual artists.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Attendance at supported events (thousands)	31,900	35,090	38,000	38,000	38,000	38,000	38,000
Artists participating in projects	102,300	112,300	115,000	120,000	120,000	120,000	120,000
Site visits and consultations	5,600	7,000	8,000	8,000	8,000	8,000	8,000
Grant applications reviewed	2,433	3,347	3,700	4,000	4,000	4,000	4,000
Awards made	1,250	1,544	1,544	1,544	1,544	1,544	1,544
Information services (circulation)	50,000	50,000	50,000	50,000	50,000	50,000	50,000

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

This budget recommends funding for the Council on the Arts and Grants to the Arts at the 1994-95 level.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Council on the Arts	\$ 824	\$ 875	\$ 875	\$ 911	\$ 942	\$ 978	\$ 1,016
Grants to the Arts	8,977	9,000	9,000	9,000	9,000	9,000	9,000
TOTAL GENERAL FUND	\$ 9,801	\$ 9,875	\$ 9,875	\$ 9,911	\$ 9,942	\$ 9,978	\$ 10,016

EXECUTIVE OFFICES

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

The Pennsylvania Commission on Crime and Delinquency (PCCD) assists the criminal justice system by providing statewide criminal statistical and analytical services, by fostering interagency coordination and cooperation, by rendering training and technical assistance, and by granting funds to support system improvements. Appointed task forces, advisory groups and planning committees, encompassing commission and noncommission members, advise the commission in addressing specific problem areas.

The commission also administers a mix of State and Federal grant programs which are designed to provide support to local elements of the criminal justice system and, through selective financing of proposals, demonstrate new solutions to Statewide problems.

PCCD provides statewide training and technical assistance for law enforcement personnel to implement community-based crime reduction strategies; coordinates Statewide efforts promoting law enforcement's involvement in policing practices; sponsors an annual program to recognize citizen contributions to local crime reduction projects; and administers a Statewide crime prevention review group. PCCD also provides training to law enforcement agencies to implement the nationally recognized Drug Abuse Resistance Education (D.A.R.E.) program through its certified state D.A.R.E. Training Center.

Under the guidance of its gubernatorially appointed Juvenile Advisory Committee, PCCD occupies a central role in the interaction between the Department of Public Welfare, the Juvenile Court Judges' Commission and other agencies in the development and implementation of policy and programming relative to juvenile justice. PCCD is the state's focal point for promoting local efforts to implement risk-focused, community mobilization programming directed toward preventing delinquent behavior among youths. The commission also administers the Federal Juvenile Justice and Delinquency Prevention Act formula grant program.

The commission provides training and technical assistance to county prison boards and local officials under Act 193 of 1990, the County Intermediate Punishment Act. This act provided counties with opportunities to develop various intermediate punishment programs for nonviolent offenders. These programs seek to alleviate overcrowding in the county prisons.

PCCD uses county-based policy boards to define local victim service needs and develop cost-effective victim/witness service strategies. Technical and financial assistance is provided through community organizations to support comprehensive service to victims of all violent crime with particular emphasis on services to victims of sexual assault, domestic violence and child abuse. Grants are made using court imposed costs authorized by Act 96 of 1984 and the Federal Victims of Crime Act of 1984.

Through the use of federal Drug Control and System Improvement

(DCSI) formula grant funds administered by PCCD, state and local units of government receive seed monies for projects to improve the justice system. Major priorities for new local projects include juvenile justice initiatives; community-based criminal justice initiatives; training; child abuse prosecution and comprehensive victim services; pre-trial services; and new and expanded automation efforts.

Act 2 of 1984 established a basic and continuing training program for deputy sheriffs to be financed through a surcharge on fees levied by the sheriffs for legal services executed. The 160 hour basic training school began in 1985 and continuing education began in 1987; both continue to train deputy sheriffs at regular intervals. Similarly, under Act 102 of 1992, PCCD provides basic and continuing education for constables.

The commission fosters the development of criminal justice policy by conducting research on timely criminal justice issues, and has established a link to Pennsylvania's academic community through the formation of a research advisory committee composed of leading criminal justice researchers. Integral to its role in criminal justice coordination and analysis of legislative issues, PCCD has formed a multi-agency correctional population projection committee which provides policymakers with accurate projections of the Commonwealth's correctional population and conducts policy impact analysis. In the area of criminal history record information, PCCD coordinates a multi-disciplinary committee which researches and analyzes criminal history data quality as the basis for developing and implementing system improvements.

PCCD will now be responsible for administering the Crime Victims Compensation Program which was created by Act 139 of 1976 to ameliorate the financial burden faced by victims of crime.

Payments to victims are made for medical expenses, counseling, loss of earnings and cash loss of benefits. In the event of death, funeral expenses and loss of support may be compensated to those who qualify. The maximum award is \$35,000 including \$20,000 for loss of support and \$15,000 for loss of earnings.

The Crime Victims Compensation Program is the payor of last resort for crime victims' losses and the board is required to verify all aspects of each claim prior to payment.

Payments to victims are disbursed from a restricted revenue account which receives its funding from two sources. One source is Act 96 of 1984 which allows collections of costs assessed against certain offenders who are convicted. The other source is the Federal Victims of Crime Act of 1984 which allocates Federal reimbursements to states based on a formula of prior year payments to victims. The restricted revenue account is listed as other funds in the Executive Offices Summary by Fund and Appropriation.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Police officers attending crime prevention practitioners' course and inservice instructors' development workshops . .	200	200	200	200	200	200	200
Counties receiving technical assistance and grants for crime victims services .	67	67	67	67	67	67	67

EXECUTIVE OFFICES

Program: Criminal and Juvenile Justice Planning and Coordination (continued)

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Deputy Sheriffs certified through completion of basic/waiver training	170	175	175	175	175	175	175
Crime Victims Compensation:							
New claims referred and reviewed for eligibility/acceptance	3,187	3,219	3,251	3,284	3,317	3,350	3,384
New claims accepted	2,259	2,286	2,308	2,332	2,355	2,379	2,403
Claims paid	2,090	2,125	2,146	2,167	2,189	2,211	2,233
Claims denied/closed without payment ..	515	520	525	530	535	540	545
Reopened claims	396	401	406	411	415	420	425

New claims accepted represents approximately two-thirds of all claims submitted. The claims not accepted are those returned to claimants for such reasons as incomplete information or failure to meet guidelines. Reopened claims is a measure to account for claims previously settled and paid which are subsequently reopened for additional losses directly related to the original crime.

The number of Claims denied/closed without payment is higher than previously projected due to higher frequency of incidents of failure to supply information to the board, contributory misconduct, drug-related crime incidents, not meeting the minimum loss requirement and failure to cooperate with law enforcement agencies.

The number of reopened claims is higher than projected in last year's budget. A manual tracking system was implemented during 1993-94 providing an actual number of reopened claims and a base to use for projected years. An automated system is currently under development.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Commission on Crime and Delinquency \$ -55 —to continue current program.</p>	<p>Intermediate Punishment Program —recommended at the 1994-95 level.</p>
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This budget also recommends the elimination of the Crime Victims Compensation Board and the transfer of its functions to the Commission on Crime and Delinquency.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Commission on Crime and Delinquency ..	\$ 2,368	\$ 3,065	\$ 3,010	\$ 3,133	\$ 3,240	\$ 3,363	\$ 3,494
Intermediate Punishment Program		5,331	5,331	5,331	5,331	5,331	5,331
Crime Prevention Programs	400						
TOTAL GENERAL FUND	\$ 2,768	\$ 8,396	\$ 8,341	\$ 8,464	\$ 8,571	\$ 8,694	\$ 8,825

EXECUTIVE OFFICES

PROGRAM OBJECTIVE: To reduce the recurrence of juvenile delinquency through replacement of criminal behavior with socially acceptable behavior.

Program: Reintegration of Juvenile Delinquents

The Juvenile Court Judges Commission is responsible for the development and improvement of juvenile probation services throughout the Commonwealth. These services focus on the effective reintegration of juvenile offenders into the community through increased performance by juvenile courts and their staff.

The provision of Statewide juvenile justice training, education, research, statistical information, and the development and enhancement of specialized intensive probation and aftercare services for juveniles who have committed drug and/or drug related offenses have significantly improved the quality of service within the Commonwealth's juvenile justice system.

Sixty-six of the Commonwealth's sixty-seven counties participate in the commission's grant-in-aid program and have adopted the commission's required Juvenile Court Standards, participated in commission sponsored training programs and complied with all commission statistical reporting requirements. The grant-in-aid program is the only source of funding for juvenile probation services and supports several of the commission's major programs including training, education, intensive probation and aftercare, and specialized projects such as the provision of liability insurance and financial support for assessment instruments to determine the treatment needs of juvenile offenders. The intensive probation program is designed as an alternative to placement while aftercare programs are designed to reduce the average length of placement of juvenile offenders.

The commission annually sponsors from 25 to 30 state-of-the-art training programs for juvenile justice practitioners. In addition to the

provision of training, the commission, in conjunction with Shippensburg University and Mercyhurst College, provided the support to enable probation officers to receive Master of Science Degrees in the Administration of Justice. By June 1995, 282 probation officers will have graduated from this program. The commission will continue to support these programs during 1995-96.

Major intensive probation and aftercare initiatives have been established by the commission to service juvenile drug and/or drug related offenders. There are 63 probation officer positions dedicated to the provision of these services. Fifty-nine of the Commonwealth's counties are using urinalysis testing techniques on those juveniles who are known or suspected drug users. This information will enable the commission to determine the nature and extent of drug usage among juvenile offenders. In addition to intensive probation, aftercare and drug testing, smaller counties have developed counseling, assessment and educational programs for juvenile drug offenders.

Juvenile delinquency placements increased from 5,091 in 1992 to 5,336 in 1993, although the delinquency placement rate has remained at 11 percent of all dispositions. Violent crimes include juveniles arrested for murder/non-negligent manslaughter, forcible rape, robbery and aggravated assault. The increase in juveniles arrested for violent crime offenses is expected to increase, as are arrests for drug sales. Consequently, the demand for delinquency placements will continue. The support and encouragement of alternatives such as in-home placement, electronic monitoring and intensive probation continue to be a major priority of the commission and the Juvenile Courts.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Commitments as a percent of referrals . . .	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%
Children referred to court	32,212	32,300	32,300	32,300	32,300	32,300	32,300
Children arrested for violent crime	5,300	5,350	5,400	5,500	5,500	5,500	5,500
Intensive probation and aftercare programs operating	63	63	63	63	63	63	63
Juvenile justice personnel trained by category:							
Formal	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Informal	300	300	300	300	300	300	300

EXECUTIVE OFFICES

Program: Reintegration of Juvenile Delinquents (continued)

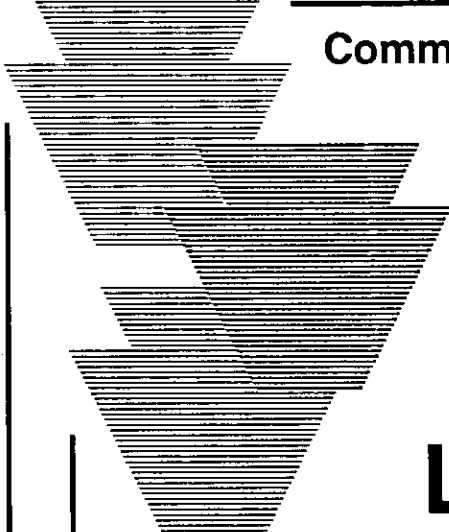
Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	Juvenile Court Judges Commission		Improvement of Juvenile Probation Services
\$ 69	—Juvenile Disposition Data Collection. Increased State Match required for DCSI Subgrant — 2nd year.	\$ 219	—to assume all costs for juvenile drug and alcohol probation units.
40	—to continue current program.	-1,511	—Initiative — to secure Federal reimbursement for emergency assistance services provided to juvenile delinquents. As a result, State costs will be reduced. In addition, county costs will be reduced by \$50 million as a result of securing this Federal reimbursement.
\$ 109	<i>Appropriation Increase</i>	\$ -1,292	<i>Appropriation Decrease</i>

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Juvenile Court Judges Commission	\$ 588	\$ 695	\$ 804	\$ 906	\$ 933	\$ 969	\$ 1,007
Improvement of Juvenile Probation Services	4,332	4,770	3,478	3,478	3,478	3,478	3,478
TOTAL GENERAL FUND	\$ 4,920	\$ 5,465	\$ 4,282	\$ 4,384	\$ 4,411	\$ 4,447	\$ 4,485

A stylized map of Pennsylvania, composed of horizontal lines, is positioned on the left side of the page. It is partially overlapped by the text 'Commonwealth of Pennsylvania' at the top.

Commonwealth of Pennsylvania

Lieutenant Governor

The Lieutenant Governor serves as President of the Senate and Chairman of the Board of Pardons. In case of the death, conviction or impeachment, failure to qualify or resignation of the Governor, the Lieutenant Governor will become Governor for the remainder of the term. In case of the disability of the Governor, the powers, duties and emoluments of the office will transfer to the Lieutenant Governor until the disability is removed.

LIEUTENANT GOVERNOR

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
Lieutenant Governor's Office	\$ 656	\$ 776	\$ 698
(A) Recycling Fund	143	95	85
Portrait — Former Lieutenant Governor .....	.....	.....	7
Board of Pardons	235	256	272
GENERAL FUND TOTAL	\$ 1,034	\$ 1,127	\$ 1,062

LIEUTENANT GOVERNOR

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
EXECUTIVE DIRECTION							
General Funds.....	\$ 891	\$ 1,032	\$ 977	\$ 1,010	\$ 1,045	\$ 1,085	\$ 1,127
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	0	0	0	0	0	0	0
Other Funds.....	143	95	85	88	91	94	98
TOTAL.....	\$ 1,034	\$ 1,127	\$ 1,062	\$ 1,098	\$ 1,136	\$ 1,179	\$ 1,225
ALL PROGRAMS:							
GENERAL FUND.....	\$ 891	\$ 1,032	\$ 977	\$ 1,010	\$ 1,045	\$ 1,085	\$ 1,127
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	143	95	85	88	91	94	98
TOTAL.....	\$ 1,034	\$ 1,127	\$ 1,062	\$ 1,098	\$ 1,136	\$ 1,179	\$ 1,225

LIEUTENANT GOVERNOR

PROGRAM OBJECTIVE: To provide an effective administrative system through which substantive programs of the agency can be accomplished.

Program: Executive Direction

This program provides for the execution of duties relating to the Office of the Lieutenant Governor. These duties, as prescribed by the Constitution, include presiding over the Senate, serving as chairman of the Board of Pardons and assumption of 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.

In addition to these duties prescribed by law, the Lieutenant

Governor also serves the Governor in many other areas and is Chairman of the Emergency Management Council, the Pennsylvania Energy Office, the Recyclable Materials Market Development Task Force and the Pennsylvania Heritage Affairs Commission. As chairman of the Pennsylvania Emergency Management Council, the Lieutenant Governor has direct responsibility for coordinating relief information and assistance.

Also included in this program is the Board of Pardons which reviews applications for reprieve, commutation of sentences and pardons.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Lieutenant Governor's Office \$ -78 —a 10% reduction in spending.</p> <p>Board of Pardons \$ 16 —to continue current program.</p>	<p>Portrait — Former Lieutenant Governor \$ 7 —to provide for a portrait of the former Lieutenant Governor.</p>
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Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Lieutenant Governor's Office	\$ 656	\$ 776	\$ 698	\$ 727	\$ 752	\$ 781	\$ 811
Portrait — Former Lieutenant Governor . . . . .	. . . . .	. . . . .	7	. . . . .	. . . . .	. . . . .	. . . . .
Board of Pardons	235	256	272	283	293	304	316
TOTAL GENERAL FUND	\$ 891	\$ 1,032	\$ 977	\$ 1,010	\$ 1,045	\$ 1,085	\$ 1,127



Commonwealth of Pennsylvania

Attorney General

The State constitution provides that the Attorney General shall be the chief law officer of the Commonwealth and shall exercise such powers and perform such duties as may be imposed by law.

The Commonwealth Attorneys Act establishes the Attorney General as the chief legal and law enforcement officer of the Commonwealth and provides the following fundamental duties and responsibilities of the Office of Attorney General:

To be the Commonwealth's chief law enforcement officer charged with the responsibility for the prosecution of organized crime and public corruption. This law enforcement program includes a criminal investigations unit and drug law enforcement program as well as direction of Statewide and multi-county investigating grand juries and a Medicaid Fraud Control Section.

To represent the Commonwealth and all Commonwealth agencies and upon request the Auditor General, State Treasurer and Public Utility Commission in any action brought by or against the Commonwealth or its agencies; to furnish upon request legal advice to the Governor or the head of any Commonwealth agency.

To review for form and legality all proposed rules and regulations for Commonwealth agencies.

To review for form and legality all Commonwealth deeds, leases and contracts to be executed by Commonwealth agencies.

To collect, by suit or otherwise, all debts, taxes and accounts due the Commonwealth which shall be referred to and placed with the Attorney General.

To administer the provisions relating to consumer protection as well as appoint the Advisory Committee.

To represent the Commonwealth and its citizens in any action brought for violation of the Antitrust Laws of the United States and the Commonwealth.

The Attorney General, in addition, serves as a member of the Board of Pardons, the Joint Committee on Documents, the Hazardous Substances Transportation Board, the Board of Finance and Revenue, the Pennsylvania Commission on Crime and Delinquency, the Civil Disorder Commission and the Municipal Police Officers Education and Training Commission.

ATTORNEY GENERAL

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 27,685	\$ 28,798	\$ 28,798
(F) MAGLOCLEN	2,632	3,021	3,053
(F) Medicaid Fraud	2,814	2,980	3,220
(F) DCSI — Child Care Dependent Abuse Training .....	....	96	....
(A) Legal Fees Reimbursement	235	188	195
(A) Collections — Legal	55	54	56
(A) Department Services	1,635	1,885	1,959
(A) Investigative Cost Reimbursement	165	69	72
(A) Seized/Forfeited Property — State Court Awarded	159	214	230
(A) Public Protection Law Enforcement .....	....	1,758	1,630
Subtotal — Federal Funds	\$ 5,446	\$ 6,097	\$ 6,273
Subtotal — Augmentations	2,249	4,168	4,142
Total — General Government Operations	\$ 35,380	\$ 39,063	\$ 39,213
(R) Office of the Consumer Advocate	\$ 3,730	\$ 3,803	\$ 3,837
Hazardous Waste Prosecutions	1,577	1,639	1,639
(A) Environmental Crimes Investigative Costs	52	57	59
(A) Low Level Radioactive Waste Investigations .....	....	126	189
Drug Law Enforcement	15,061	16,500	17,403
(F) DCSI — Drug Transportation Interdiction	119	48	....
(F) DCSI — Combatting Drug Gang Activities	120	638	343
(F) DCSI — Criminal History Records Audits	17	560	330
(F) DCSI — Continuation of Philadelphia Initiative	330	....	....
(F) DCSI — Monitoring Prescription Abuse .....	....	....	233
(F) Municipal Police Training	2	....	....
(A) Recovery of Narcotics Investigation Overtime Costs	44	2	25
(A) Seized/Forfeited Property — State Court Awarded .....	....	651	386
Subtotal — Federal Funds	\$ 588	\$ 1,246	\$ 906
Subtotal — Augmentations	44	653	411
Total — Drug Law Enforcement	\$ 15,693	\$ 18,399	\$ 18,720
Local Drug Task Forces	\$ 5,660	\$ 6,319	\$ 6,520
(F) DCSI — Task Force Maintenance .....	....	700	....
(F) DCSI — Local Drug Task Forces	234	....	....
Total — Local Drug Task Forces	\$ 5,894	\$ 7,019	\$ 6,520
Investigation of Supreme Court	\$ 270	....	....
Subtotal — State Funds	\$ 50,253	\$ 53,256	\$ 54,360
Subtotal — Federal Funds	6,268	8,043	7,179
Subtotal — Augmentations	2,345	5,004	4,801
Subtotal — Restricted Revenues	3,730	3,803	3,837
Total — General Government	\$ 62,596	\$ 70,106	\$ 70,177

ATTORNEY GENERAL

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
<i>GRANTS AND SUBSIDIES:</i>			
County Trial Reimbursement	\$ 200	\$ 150	\$ 200
STATE FUNDS	\$ 50,453	\$ 53,406	\$ 54,560
FEDERAL FUNDS	6,268	8,043	7,179
AUGMENTATIONS	2,345	5,004	4,801
RESTRICTED REVENUE	3,730	3,803	3,837
GENERAL FUND TOTAL	\$ 62,796	\$ 70,256	\$ 70,377
 OTHER FUNDS			
<i>GENERAL FUND:</i>			
Seized/Forfeited Property — State Court Awarded	\$ 743 ^a	\$ 1,350 ^a	\$ 1,430 ^a
Seized/Forfeited Property — Federal Court Awarded	189	500	575
Seized/Forfeited Property — PSP—OAG Agreement	595	625	656
OAG Investigative Funds — Outside Sources	3	146	210
Public Protection Law Enforcement	276	300 ^b	300 ^b
Coroner's Education Board	18	20	20
OTHER FUNDS TOTAL	\$ 1,824	\$ 2,941	\$ 3,191
 DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUNDS	\$ 50,453	\$ 53,406	\$ 54,560
FEDERAL FUNDS	6,268	8,043	7,179
AUGMENTATIONS	2,345	5,004	4,801
RESTRICTED REVENUE	3,730	3,803	3,837
OTHER FUNDS	1,824	2,941	3,191
TOTAL — ALL FUNDS	\$ 64,620	\$ 73,197	\$ 73,568

^a Amounts not included to avoid double counting: 1993-94 Actual is \$159,000; 1994-95 Available is \$865,000; 1995-96 Budget is \$616,000.

^b Amounts not included to avoid double counting: 1994-95 Available is \$1,758,000; 1995-96 Budget is \$1,630,000.

ATTORNEY GENERAL

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
PUBLIC PROTECTION AND LAW ENFORCEMENT							
General Funds.....	\$ 50,453	\$ 53,406	\$ 54,560	\$ 56,862	\$ 58,861	\$ 61,160	\$ 63,525
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	6,268	8,043	7,179	6,716	6,351	6,273	6,273
Other Funds.....	7,899	11,748	11,829	12,305	12,718	13,194	13,700
TOTAL.....	\$ 64,620	\$ 73,197	\$ 73,568	\$ 75,883	\$ 77,930	\$ 80,627	\$ 83,498
ALL PROGRAMS:							
GENERAL FUND.....	\$ 50,453	\$ 53,406	\$ 54,560	\$ 56,862	\$ 58,861	\$ 61,160	\$ 63,525
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	6,268	8,043	7,179	6,716	6,351	6,273	6,273
OTHER FUNDS.....	7,899	11,748	11,829	12,305	12,718	13,194	13,700
TOTAL.....	\$ 64,620	\$ 73,197	\$ 73,568	\$ 75,883	\$ 77,930	\$ 80,627	\$ 83,498

ATTORNEY GENERAL

PROGRAM OBJECTIVE: To enforce the criminal laws of the Commonwealth to protect the interests of Pennsylvania citizens in areas of consumer protection, antitrust enforcement, operation of charitable trusts and organizations, and civil rights; and to provide legal services to Commonwealth agencies.

Program: Public Protection and Law Enforcement

The Attorney General as the chief law enforcement officer of the Commonwealth is charged with the responsibility for the investigation and prosecution of organized crime and public corruption. The agency investigates and prosecutes criminal activity in accordance with Sections 205 and 206 of the Commonwealth Attorneys Act, and utilizes Statewide investigative grand juries as appropriate. The Attorney General's Office works with the State Police to curtail drug abuse in the Commonwealth by immobilizing illegal drug traffickers. Last year, over 4,125 drug traffickers were arrested, of whom 355 were considered major.

Other major activities of this program involve: decreasing the incidence of fraud and deceptive business practices and securing

recovery of damages to the Commonwealth and its citizens; encouraging free enterprise and competition; prosecution of hazardous waste cases; and providing for representation of the consumer before the Public Utility Commission through the Office of the Consumer Advocate. Act 166 of 1994 established a Section of Insurance Fraud to prosecute and investigate insurance fraud within the Attorney General's Office

This program also provides legal services for governmental agencies of the Commonwealth, as required by Section 204 of the Commonwealth Attorneys Act. Specifically, the Attorney General's Office represents the Commonwealth in any action brought by or against the Commonwealth or its agencies, particularly tort claims.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Cases presented to the Statewide Investigating Grand Jury	25	30	30	30	30	30	30
Drug law arrests	4,125	4,500	4,500	4,500	4,500	4,500	4,500
Major drug traffickers arrested	355	410	440	440	440	440	440
Consumer complaints concerning business practices investigated and mediated	31,400	31,900	31,900	31,900	31,900	31,900	31,900
Dollar value of recoupment to consumers regarding business practices (in thousands)	\$4,130	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200
Rate cases argued by Consumer Advocate	39	23	N/A	N/A	N/A	N/A	N/A
Other cases argued by the Consumer Advocate	359	240	N/A	N/A	N/A	N/A	N/A
Antitrust and oil overcharge cases:							
Settlements with or without court action	12	12	12	12	12	12	12
Dollars paid or agreed to be paid to the Commonwealth or directly to its citizens (in thousands)	\$32,271	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000

The number of cases presented to the Statewide Investigating Grand Jury was less than estimated in last year's budget because several cases were unusually complex and lengthy.

More cases other than rate cases were argued by the Consumer Advocate in 1993-94 than projected in last year's budget because many of the nonrate cases were less complex than anticipated.

Antitrust dollars paid or agreed to be paid to the Commonwealth or its citizens were extraordinary in 1993-94 because of a \$30 million hospital merger case recovery.

ATTORNEY GENERAL

Program: Public Protection and Law Enforcement (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Drug Law Enforcement
 \$ 78 —Initiative — Monitoring Illegal Diversion of Prescription Drugs. To provide for the automated monitoring of prescriptions specifically for enhancing the investigation of illegal diversion of lawfully prescribed drugs.
 825 —to continue current program.
 \$ 903 *Appropriation Increase*

This budget also recommends the following change to the Office of Consumer Advocate from its restricted revenue account in the General Fund.

Office of the Consumer Advocate
 \$ 34 —to continue current program.


Local Drug Task Forces
 \$ 201 —to continue current program.

County Trial Reimbursement
 \$ 50 —to continue current program.

All other programs are recommended to be continued at the current year levels.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
General Government Operations	\$ 27,685	\$ 28,798	\$ 28,798	\$ 29,979	\$ 30,998	\$ 32,176	\$ 33,431
Hazardous Waste Prosecutions	1,577	1,639	1,639	1,706	1,764	1,831	1,902
Drug Law Enforcement	15,061	16,500	17,403	18,190	18,881	19,668	20,423
Local Drug Task Forces	5,660	6,319	6,520	6,787	7,018	7,285	7,569
County Trial Reimbursement	200	150	200	200	200	200	200
Investigation of Supreme Court	270	.....	.....	.....	.....	.....	.....
TOTAL GENERAL FUND	\$ 50,453	\$ 53,406	\$ 54,560	\$ 56,862	\$ 58,861	\$ 61,160	\$ 63,525



Commonwealth of Pennsylvania

Auditor General

The Department of the Auditor General post-audits the affairs of State Government agencies and certain local government agencies, officials and organizations. The objective is to insure conformance with established legislative and administrative regulations and to assure that all money has been disbursed legally and properly. In addition, the Auditor General examines the accounts of revenue collecting agents to insure that all money due the Commonwealth was reported and transmitted properly.

AUDITOR GENERAL

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND:			
GENERAL GOVERNMENT:			
Auditor General's Office	\$ 36,049	\$ 37,130	\$ 37,130
(A) Reimbursement Auditing Services	7,351	7,706	7,900
(A) Sale of Automobiles	130	....	....
Transition — Governor .....	....	175	....
Security and Other Expenses — Outgoing Governor .....	....	100	....
Subtotal — State Funds	\$ 36,049	\$ 37,405	\$ 37,130
Subtotal — Augmentations	7,481	7,706	7,900
Total — Auditor General's Office	\$ 43,530	\$ 45,111	\$ 45,030
Board of Claims	\$ 1,328	\$ 1,264	\$ 1,472
(A) Sale of Automobiles .....	....	....	2
Subtotal — State Funds	\$ 1,328	\$ 1,264	\$ 1,472
Subtotal — Augmentations .....	....	....	2
Total — Board of Claims	\$ 1,328	\$ 1,264	\$ 1,474
Subtotal — State Funds	\$ 37,377	\$ 38,669	\$ 38,602
Subtotal — Augmentations	7,481	7,706	7,902
Total — General Government	\$ 44,858	\$ 46,375	\$ 46,504
GRANTS AND SUBSIDIES:			
Municipal Pension System State Aid	\$ 5,882	\$ 3,296	\$ 6,362
Total — Grants and Subsidies	\$ 5,882	\$ 3,296	\$ 6,362
STATE FUNDS	\$ 43,259	\$ 41,965	\$ 44,964
AUGMENTATIONS	7,481	7,706	7,902
GENERAL FUND TOTAL	\$ 50,740	\$ 49,671	\$ 52,866
OTHER FUNDS			
MUNICIPAL PENSION AID FUNDS:			
Municipal Pension Aid	\$ 140,762	\$ 129,330	\$ 128,600
SUPPLEMENTAL STATE ASSISTANCE FUND:			
Supplemental State Assistance	\$ 5,882	\$ 3,296	\$ 6,362
OTHER FUNDS TOTAL	\$ 146,644	\$ 132,626	\$ 134,962
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 43,259	\$ 41,965	\$ 44,964
AUGMENTATIONS	7,481	7,706	7,902
OTHER FUNDS	146,644	132,626	134,962
TOTAL ALL FUNDS	\$ 197,384	\$ 182,297	\$ 187,828

AUDITOR GENERAL

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
AUDITING							
General Funds.....	\$ 37,377	\$ 38,669	\$ 38,602	\$ 40,184	\$ 41,550	\$ 43,129	\$ 44,811
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	0	0	0	0	0	0	0
Other Funds.....	7,481	7,706	7,902	8,226	8,506	8,829	9,173
TOTAL.....	\$ 44,858	\$ 46,375	\$ 46,504	\$ 48,410	\$ 50,056	\$ 51,958	\$ 53,984
MUNICIPAL PENSION SYSTEMS							
General Funds.....	\$ 5,882	\$ 3,296	\$ 6,362	\$ 6,362	\$ 6,362	\$ 6,362	\$ 6,362
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	0	0	0	0	0	0	0
Other Funds.....	146,644	132,626	134,962	140,235	144,787	150,047	155,651
TOTAL.....	\$ 152,526	\$ 135,922	\$ 141,324	\$ 146,597	\$ 151,149	\$ 156,409	\$ 162,013
ALL PROGRAMS:							
GENERAL FUND.....	\$ 43,259	\$ 41,965	\$ 44,964	\$ 46,546	\$ 47,912	\$ 49,491	\$ 51,173
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	154,125	140,332	142,864	148,461	153,293	158,876	164,824
TOTAL.....	\$ 197,384	\$ 182,297	\$ 187,828	\$ 195,007	\$ 201,205	\$ 208,367	\$ 215,997

AUDITOR GENERAL

PROGRAM OBJECTIVE: To insure that all revenue to which the Commonwealth is entitled is deposited in the State Treasury and that public money is disbursed legally and properly.

Program: Auditing

The Auditor General is required by the Fiscal Code to audit the financial affairs of State Government. Each year, the department makes thousands of regular and special post audits of Commonwealth agencies, persons, associations and corporations to insure money is disbursed legally and properly. Also, the Auditor General examines accounts of revenue collecting agents to assure that all money due to the Commonwealth, totaling several billions of dollars, was reported and transmitted properly and that Commonwealth financial statements conform to Generally Accepted Accounting Principles (GAAP). A joint audit of the General Purpose Financial Statements of the Commonwealth is being performed by the Auditor General and an independent certified public accounting firm.

The Auditor General is also required by the Fiscal Code to audit

public assistance payments to determine eligibility of persons receiving public assistance grants. Recipients of public assistance are subject to continuous audit. These audits serve to adjust grants to persons either not eligible or receiving overpayments or underpayments.

In addition to the Auditor General's fiscal duties, there are other responsibilities imposed by law such as serving as a member of the General State Authority, the State Public School Building Authority and other major Commonwealth boards and commissions.

The Board of Claims operates within this program exercising its function as an independent judicial and administrative body with jurisdiction to hear and determine claims that equal or exceed \$300 against the Commonwealth.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Transition — Governor</p> <p>\$ -175 —nonrecurring item.</p> <p>Security and Other Expenses — Outgoing Governor</p> <p>\$ -100 —nonrecurring item.</p>	<p>Board of Claims</p> <p>\$ 208 —to continue current program.</p>
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Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Auditor General's Office	\$ 36,049	\$ 37,130	\$ 37,130	\$ 38,652	\$ 39,966	\$ 41,485	\$ 43,103
Transition - Governor		175					
Security and Other Expenses - Outgoing Governor		100					
Board of Claims	1,328	1,264	1,472	1,532	1,584	1,644	1,708
TOTAL GENERAL FUND	\$ 37,377	\$ 38,669	\$ 38,602	\$ 40,184	\$ 41,550	\$ 43,129	\$ 44,811

AUDITOR GENERAL

PROGRAM OBJECTIVE: To assist municipal pension systems through loans and disbursement of annual supplemental State assistance.

Program: Municipal Pension Systems

In 1984, the General Assembly passed Act 205 known as the Municipal Pension Plan Funding Standard and Recovery Act. The enactment of this legislation was in response to the solvency problems facing many of the Commonwealth's municipal pension systems. The act requires the submission of municipal pension plan actuarial reports to the Public Employee Retirement Commission (PERC) every two years, and establishes criteria for determination of actuarial soundness and the amount of State financed support that will be provided.

The Auditor General is responsible for audits of municipal pension funds for non-uniformed employes where municipalities choose to allocate State aid to those funds. The municipal pension plans for non-uniformed employes total approximately 1,300. In July of 1985, the

Auditor General became responsible for administration of the Supplemental State Assistance Account which from July 1985 to December 1988 contained portions of the proceeds of the Foreign Casualty Premium Tax previously paid to the State Employees' Retirement Board. After December 1988, funding is from a General Fund appropriation which cannot exceed \$35 million annually. The initial funding was immediately available for loans to municipalities in imminent danger of defaulting on the obligations of their pension plans.

In December 1988, the Auditor General also became responsible for disbursement of Supplemental State Assistance to distressed municipal pension systems based on certified State assistance amounts provided by PERC.

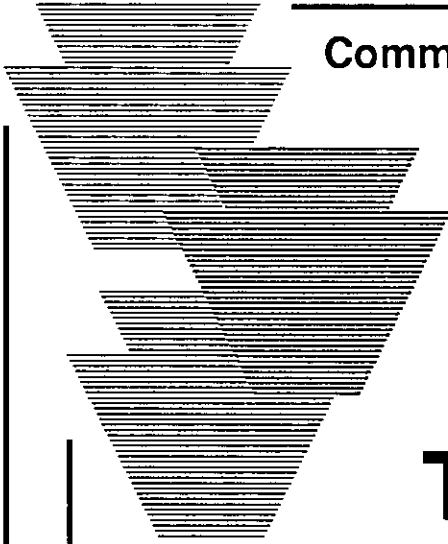
Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Municipal Pension System State Aid
\$ 3,066 —to provide the amount certified by the Public Employee Retirement Commission for a recovery program for financially distressed municipal pension systems.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Municipal Pension System State Aid	\$ 5,882	\$ 3,296	\$ 6,362	\$ 6,362	\$ 6,362	\$ 6,362	\$ 6,362



Commonwealth of Pennsylvania

Treasury Department

The Treasury Department is responsible for receiving all Commonwealth monies and for depositing such monies in State depositories approved by the Board of Finance and Revenue; for managing all securities in its custody to the best advantage of the Commonwealth; for preauditing all requisitions for the expenditures of funds; and for disbursement of all State monies upon proper authorization to those entitled to receive payment.

TREASURY

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
State Treasurer's Office	\$ 16,963	\$ 17,803	\$ 17,803
(A) Expenses — Unemployment Compensation	1,690	6,386	5,788
(A) Fees — Federal Savings Bonds	27	.....	.....
(A) Photocopy Services	5	.....	.....
(A) Unclaimed Property Administration Costs	3,674	.....	.....
(A) Unclaimed Property Reference Fees	12	.....	.....
(A) Sale of Automobiles	20	.....	.....
(A) Administrative Fees	50	.....	.....
Equipment Purchases .....	.....	1,320	.....
Subtotal — State Funds	\$ 16,963	\$ 19,123	\$ 17,803
Subtotal — Augmentations	5,478	6,386	5,788
Total — State Treasurer's Office	\$ 22,441	\$ 25,509	\$ 23,591
Board of Finance and Revenue	\$ 1,547	\$ 1,519	\$ 1,519
Council of State Governments	151	158	166
Great Lakes Commission	62	69	70
National Conference of State Legislatures	163	180	180
Education Commission of the States	77	80	83
Advisory Commission on Intergovernmental Relations	9	9	10
National Governor's Association	129	134	138
Coalition of Northeast Governors	68	70	70
Northeast — Midwest Institute	57	63	63
Governmental Accounting Standards Board	40	44	44
State and Local Legal Center	8	8	8
Publishing Monthly Statements	50	60	60
Replacement Checks (EA)	330	425	425
Subtotal — State Funds	\$ 19,654	\$ 21,942	\$ 20,639
Subtotal — Augmentations	5,478	6,386	5,788
Total — General Government	\$ 25,132	\$ 28,328	\$ 26,427
DEBT SERVICE REQUIREMENTS:			
Loan and Transfer Agent	\$ 189	\$ 225	\$ 225
Tax Note Expenses	101	170	170
General Obligation Debt Service	501,724	507,560	442,024
(A) Rentals and Building Fees	1,115	720	1,100
(A) Transfer from PIDA Escrow .....	.....	.....	100,000
Commercial Paper Costs (EA) .....	.....	1,000	1,000
Interest on Tax Anticipation Notes (EA)	8,975	20,000	25,000
Subtotal — State Funds	\$ 510,989	\$ 528,955	\$ 468,419
Subtotal — Augmentations	1,115	720	101,100
Total — Debt Service Requirements	\$ 512,104	\$ 529,675	\$ 569,519
GRANTS AND SUBSIDIES:			
Law Enforcement Officers Death Benefits	\$ 400	\$ 450	\$ 468
Total — Grants and Subsidies	\$ 400	\$ 450	\$ 468
STATE FUNDS	\$ 531,043	\$ 551,347	\$ 489,526
AUGMENTATIONS	6,593	7,106	106,888
GENERAL FUND TOTAL	\$ 537,636	\$ 558,453	\$ 596,414

TREASURY

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
MOTOR LICENSE FUND			
<i>GENERAL GOVERNMENT:</i>			
Replacement Checks	\$ 240	\$ 240	\$ 240
Refunding Liquid Fuels Tax — Agricultural	2,114	3,400	3,200
Refunding Liquid Fuels Tax — State Share	250	400	400
Refunding Emergency Liquid Fuels Tax .....	....	1	1
Refunding Liquid Fuels Tax — Political Subdivision	1,344	2,100	2,100
Administration of Refunding Liquid Fuels Tax	343	360	346
Refunding Liquid Fuels Tax — Volunteer Services	67	150	150
Refunding Marine Liquid Fuels Tax — Boat Fund	1,915	2,000	2,200
Total — General Government	\$ 6,273	\$ 8,651	\$ 8,637
<i>DEBT SERVICE REQUIREMENTS:</i>			
Capital Debt — Transportation Projects	\$ 178,979	\$ 179,099	\$ 150,109
General Obligation Debt Service	1,697	1,674	1,399
Advance Construction Interstate — Interest	4,478	1,776	....
Loan and Transfer Agent	100	135	135
(R) Aviation Debt Service	1,223	1,246	1,245
(R) Capital Bridge Debt	29,240	31,134	30,063
(R) Advance Construction Interstate — Principal	37,500	48,000	....
Subtotal — State Funds	\$ 185,254	\$ 182,684	\$ 151,643
Subtotal — Restricted Revenue	67,963	80,380	31,308
Total — Debt Service	\$ 253,217	\$ 263,064	\$ 182,951
Subtotal — State	\$ 191,527	\$ 191,335	\$ 160,280
Subtotal — Restricted Revenue	67,963	80,380	31,308
MOTOR LICENSE FUND TOTAL	\$ 259,490	\$ 271,715	\$ 191,588
BANKING DEPARTMENT FUND			
<i>GENERAL GOVERNMENT:</i>			
Replacement Checks (EA) .....	....	\$ 5	\$ 5
BOAT FUND			
<i>GENERAL GOVERNMENT:</i>			
Replacement Checks (EA) .....	....	\$ 5	\$ 5
<i>DEBT SERVICE REQUIREMENTS:</i>			
General Obligation Debt Service	\$ 1	....	....
BOAT FUND TOTAL	\$ 1	\$ 5	\$ 5
ECONOMIC REVITALIZATION FUND			
<i>GENERAL GOVERNMENT:</i>			
Replacement Checks (EA) .....	....	\$ 5	....

TREASURY

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
<u>FARM PRODUCTS SHOW FUND</u>			
<i>GENERAL GOVERNMENT:</i>			
Replacement Checks (EA) .....	....	\$ 5	\$ 5
<u>FISH FUND</u>			
<i>GENERAL GOVERNMENT:</i>			
Replacement Checks (EA) .....	....	\$ 15	\$ 15
<i>DEBT SERVICE REQUIREMENTS:</i>			
General Obligation Debt Service	\$ 34	\$ 24	\$ 4
FISH FUND TOTAL	\$ 34	\$ 39	\$ 19
<u>GAME FUND</u>			
<i>GENERAL GOVERNMENT:</i>			
Replacement Checks (EA) .....	....	\$ 5	\$ 5
<u>LOTTERY FUND</u>			
<i>GENERAL GOVERNMENT:</i>			
Replacement Checks (EA)	\$ 9	\$ 150	\$ 150
<u>MILK MARKETING FUND</u>			
<i>GENERAL GOVERNMENT:</i>			
Replacement Checks (EA) .....	....	\$ 5	\$ 5
Refund Milk Marketing Licenses and Fees (EA) .....	....	5	5
MILK MARKETING FUND TOTAL .....	....	\$ 10	\$ 10
<u>RACING FUND</u>			
<i>GENERAL GOVERNMENT:</i>			
Replacement Checks (EA)	\$ 1	\$ 10	\$ 10
<u>OTHER FUNDS</u>			
<i>TUITION PAYMENT FUND:</i>			
Administration Tuition Payment Fund .....	....	\$ 400	\$ 415
DEPARTMENTAL TOTAL—ALL FUNDS			
GENERAL FUND	\$ 531,043	\$ 551,347	\$ 489,526
SPECIAL FUNDS	191,572	191,569	160,489
AUGMENTATIONS	6,593	7,106	106,888
RESTRICTED REVENUE	67,963	80,380	31,308
OTHER FUNDS .....	....	400	415
TOTAL ALL FUNDS	\$ 797,171	\$ 830,802	\$ 788,626

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
DISBURSEMENT							
General Funds.....	\$ 19,240	\$ 21,517	\$ 20,215	\$ 21,007	\$ 21,691	\$ 22,481	\$ 23,323
Special Funds.....	6,283	8,861	8,842	8,856	8,868	8,882	8,897
Federal Funds.....	0	0	0	0	0	0	0
Other Funds.....	5,478	6,786	6,203	6,457	6,677	6,931	7,201
TOTAL.....	\$ 31,001	\$ 37,164	\$ 35,260	\$ 36,320	\$ 37,236	\$ 38,294	\$ 39,421
INTERSTATE RELATIONS							
General Funds.....	\$ 764	\$ 815	\$ 832	\$ 832	\$ 832	\$ 832	\$ 832
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
TOTAL.....	\$ 764	\$ 815	\$ 832	\$ 832	\$ 832	\$ 832	\$ 832
DEBT SERVICE							
General Funds.....	\$ 511,039	\$ 529,015	\$ 468,479	\$ 605,296	\$ 634,604	\$ 641,153	\$ 656,581
Special Funds.....	185,289	182,708	151,647	120,070	116,106	113,176	100,798
Federal Funds.....	0	0	0	0	0	0	0
Other Funds.....	69,078	81,100	132,408	31,998	32,785	32,651	31,538
TOTAL.....	\$ 765,406	\$ 792,823	\$ 752,534	\$ 757,364	\$ 783,495	\$ 786,980	\$ 788,917
ALL PROGRAMS:							
GENERAL FUND.....	\$ 531,043	\$ 551,347	\$ 489,526	\$ 627,135	\$ 657,127	\$ 664,466	\$ 680,736
SPECIAL FUNDS.....	191,572	191,569	160,489	128,926	124,974	122,058	109,695
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	74,556	87,886	138,611	38,455	39,462	39,582	38,739
TOTAL.....	\$ 797,171	\$ 830,802	\$ 788,626	\$ 794,516	\$ 821,563	\$ 826,106	\$ 829,170

TREASURY

PROGRAM OBJECTIVE: To receive and safeguard the monies of the Commonwealth; to manage the funds to the best advantage of the Commonwealth; and to insure that all disbursements of funds are legal and proper.

Program: Disbursement

The Treasury Department is required by statute to receive and deposit all monies of the Commonwealth; to invest in short-term securities any Commonwealth monies which accumulate beyond the daily needs of the various funds; to manage to the best possible advantage all securities in its custody; to preaudit all requisitions for the expenditure of funds; and to disburse all State monies upon proper authorization to those entitled to receive payment. In this capacity the State Treasury is responsible for the receipt, custody and disbursement of billions of dollars each year.

Treasury also audits disbursement records, maintains accounting controls and disburses all checks to recipients of Public Assistance. Thousands of checks are processed each working day for distribution to recipients. This processing includes preauditing, collating, authenticating and mailing the checks to individual recipients and banks. Hundreds of participating banks throughout the Commonwealth distribute thousands of checks daily.

The State Treasurer is also Chairman of the Board of Finance and Revenue, and serves as a member of The General State Authority, various public retirement boards, the State Highway and Bridge Authority and several other boards and commissions.

The Board of Finance and Revenue operates within this program by reviewing and deciding appeals concerning settlements made

between the Commonwealth and persons, associations and corporations. The board also administers the program for refunding certain monies to which the Commonwealth is not legally entitled.

Under the provisions of Act 101 of 1976, the Treasury is required to pay \$25,000 in death benefits to the surviving spouse or children of firemen or law enforcement officers of the Commonwealth killed in the performance of their duties and to reimburse political subdivisions for such payment made to survivors of local firemen or law enforcement officers.

Treasury administers the Tuition Account Program that provides for the advance purchase of tuition credits for students who will attend institutions of higher education. The program enables individuals to lock in a price today to pay for tomorrow's tuition, an attractive option for many families because of the spiraling costs of higher education.

The State Treasurer is responsible for the administration and enforcement of the Commonwealth's abandoned and unclaimed property laws. Tangible and intangible property that has remained unclaimed for seven or more years is reported and remitted to the Treasury by holders in possession of the property. The Commonwealth maintains perpetual custody of the property until it is claimed by the rightful owner. Revenues generated cover the costs of paying claims as well as the administrative costs of the program.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Disbursements issued	10,441,011	10,550,000	10,675,000	N/A	N/A	N/A	N/A
Persons receiving cash assistance, monthly average	720,916	694,070	685,390	685,390	685,390	685,390	685,390
Interest earned on investments:							
General Fund (in thousands)	\$ 38,143	\$ 57,248	\$ 57,248	N/A	N/A	N/A	N/A
Motor License Fund (in thousands) ..	9,913	17,352	14,541	N/A	N/A	N/A	N/A
TOTAL	\$ 48,056	\$ 74,600	\$ 71,789	N/A	N/A	N/A	N/A

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>GENERAL FUND: Equipment Purchases \$ -1,320 —nonrecurring item.</p> <p>Law Enforcement Officers Death Benefits \$ 18 —to continue current program.</p>	<p>MOTOR LICENSE FUND: Economic Revitalization Fund \$ -5 —nonrecurring item.</p> <p>Administration of Refunding Liquid Fuels Tax \$ -14 —to continue current program.</p>
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TREASURY

Program: Disbursement

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
State Treasurer's Office	\$ 16,963	\$ 17,803	\$ 17,803	\$ 18,533	\$ 19,163	\$ 19,891	\$ 20,667
Equipment Purchases		1,320					
Board of Finance and Revenue	1,547	1,519	1,519	1,581	1,635	1,697	1,763
Replacement Checks	330	425	425	425	425	425	425
Law Enforcement Officers Death Benefits	400	450	468	468	468	468	468
TOTAL GENERAL FUND	\$ 19,240	\$ 21,517	\$ 20,215	\$ 21,007	\$ 21,691	\$ 22,481	\$ 23,323
MOTOR LICENSE FUND:							
Replacement Checks	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240
Refunding Liquid Fuels Tax-Agricultural Use	2,114	3,400	3,200	3,200	3,200	3,200	3,200
Refunding Liquid Fuels Tax-State Share	250	400	400	400	400	400	400
Refunding Liquid Fuels Tax-Political Subdivisions	1,344	2,100	2,100	2,100	2,100	2,100	2,100
Administration of Refunding Liquid Fuels Tax	343	360	346	360	372	386	401
Refunding Liquid Fuels Tax-Volunteer Services	67	150	150	150	150	150	150
Refunding Marine Liquid Fuels Tax-Boat Fund	1,915	2,000	2,200	2,200	2,200	2,200	2,200
Refunding Emergency Liquid Fuels Tax		1	1	1	1	1	1
TOTAL MOTOR LICENSE FUND	\$ 6,273	\$ 8,651	\$ 8,637	\$ 8,651	\$ 8,663	\$ 8,677	\$ 8,692
BANKING DEPARTMENT FUND:							
Replacement Checks		\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
BOAT FUND:							
Replacement Checks		\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
ECONOMIC REVITALIZATION FUND:							
Replacement Checks		\$ 5					
FARM PRODUCTS SHOW FUND:							
Replacement Checks		\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
FISH FUND:							
Replacement Checks		\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15
GAME FUND:							
Replacement Checks		\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
LOTTERY FUND:							
Replacement Checks	\$ 9	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150
MILK MARKETING FUND:							
Replacement Checks		\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
Refunding Milk Marketing Licenses and Fees		5	5	5	5	5	5
TOTAL MILK MARKETING FUND		\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10
RACING FUND:							
Replacement Checks	\$ 1	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10

PROGRAM OBJECTIVE: To promote interstate cooperation and progress through participation in various associations and organizations both regionally and nationally.

Program: Interstate Relations

Pennsylvania helps promote interstate progress and cooperation through participation in various organizations, associations and commissions with other states and other units of government. As a member of the Council of State Governments, Education Commission of the States, National Conference of State Legislatures, Coalition of Northeast Governors, Northeast-Midwest Institute, Advisory Commission on Intergovernmental Relations and the National Governors Association, Pennsylvania helps coordinate ideas on programs, interstate progress, budgets, Federal-State relations, education, labor, research, governmental techniques and general information concerning the states with other states, the Congress and the Federal Executive Branch.

Also included within this program is the Governmental Accounting

Standards Board which provides guidance and establishes standards to promote uniformity and comparability in governmental accounting and financial reporting, and the State and Local Legal Center which provides for Pennsylvania's participation in a center to advance and defend the interests of state and local governments in matters involving Federal preemption, state taxing and spending powers, the tenth amendment and other issues.

This program also covers Pennsylvania's cost of the Great Lakes Commission. The commission was established in 1956 to plan and promote a unified and balanced program for the development, use and conservation of Great Lakes Basin water resources.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Various Associations and Commissions	
\$ 17	—net increase for membership costs in ten organizations. Included within the Great Lakes Commission is support for the Great Lakes Council of Governors.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Council of State Governments	\$ 151	\$ 158	\$ 166	\$ 166	\$ 166	\$ 166	\$ 166
Great Lakes Commission	62	69	70	70	70	70	70
National Conference of State Legislatures	163	180	180	180	180	180	180
Education Commission of the States	77	80	83	83	83	83	83
Advisory Commission on Intergovernmental Relations	9	9	10	10	10	10	10
National Governors Association	129	134	138	138	138	138	138
Coalition of Northeastern Governors	68	70	70	70	70	70	70
Northeast — Midwest Institute	57	63	63	63	63	63	63
Governmental Accounting Standards Board	40	44	44	44	44	44	44
State and Local Legal Center	8	8	8	8	8	8	8
TOTAL GENERAL FUND	\$ 764	\$ 815	\$ 832	\$ 832	\$ 832	\$ 832	\$ 832

TREASURY

PROGRAM OBJECTIVE: To provide for interest and principal requirements of notes and bonds issued by the Commonwealth and other expenses related to debt service.

Program: Debt Service

The Commonwealth, through the Treasury Department, is obligated to meet principal and interest requirements and other expenses related to debt service.

Long-term bonds are issued by the State to cover the cost of financing public improvements which represent such a heavy financial burden that they cannot be funded through current revenues. These bond issues have provided funds over the years for projects such as the acquisition and development of public recreation and historic sites and facilities; the payment of compensation to veterans of the Vietnam Conflict; relief for victims of disasters; accomplishing economic revitalization efforts; providing low-cost loans for water supply and

sewage treatment improvements; loans to volunteer fire companies; and a wide variety of construction and renovation projects including hospitals, higher education facilities, State parks, flood control, correctional institutions and various public buildings. Bond issues also provide funds to bring nursing homes up to the standards of the State Life Safety Code.

The Commonwealth has saved substantial amounts of debt service interest payments through the issuance of refunding bonds to retire debt incurred in prior years when interest rates were considerably higher. The Commonwealth continues to monitor its debt for additional refunding opportunities and expects to achieve further interest savings from additional refunding of bonds.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>General Fund \$ -60,536 —the net effect on principal and interest requirements and other costs relating to General Fund debt service. This reflects a \$100 million transfer from a Pennsylvania Industrial Development Authority recapitalization in 1994.</p> <p>Motor License Fund \$ -31,041 —for reduced principal and interest requirements and other costs relating to Motor License Fund debt service.</p>	<p>Fish Fund \$ ---20 —for reduced principal and interest requirements and other costs relating to Fish Fund debt service.</p>
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Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Publishing Monthly Statements	\$ 50	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60
Loan and Transfer Agents	189	225	225	225	225	225	225
Tax Note Expenses	101	170	170	170	170	170	170
General Obligation Debt Service	501,724	507,560	442,024	578,841	608,149	614,698	630,126
Commercial Paper Cost .....	.....	1,000	1,000	1,000	1,000	1,000	1,000
Interest on Tax Anticipation Notes	8,975	20,000	25,000	25,000	25,000	25,000	25,000
TOTAL GENERAL FUND	\$ 511,039	\$ 529,015	\$ 468,479	\$ 605,296	\$ 634,604	\$ 641,153	\$ 656,581
MOTOR LICENSE FUND:							
Capital Debt — Transportation Projects ..	\$ 178,979	\$ 179,099	\$ 150,109	\$ 118,075	\$ 113,802	\$ 110,913	\$ 98,535
General Obligation Debt Service	1,697	1,674	1,399	1,860	2,169	2,128	2,128
Advance Construction Interstate —							
Interest	4,478	1,776	.....	.....	.....	.....	.....
Loan and Transfer Agent	100	135	135	135	135	135	135
TOTAL MOTOR LICENSE FUND	\$ 185,254	\$ 182,684	\$ 151,643	\$ 120,070	\$ 116,106	\$ 113,176	\$ 100,798
BOAT FUND:							
General Obligation Debt Service	\$ 1	.....	.....	.....	.....	.....	.....
FISH FUND:							
General Obligation Debt Service	\$ 34	\$ 24	\$ 4	.....	.....	.....	.....



Commonwealth of Pennsylvania

Department of Aging

The Department of Aging consolidates services for older Pennsylvanians and provides a single point of contact through which these older Pennsylvanians can address their concerns to State Government. The Secretary of Aging serves as a cabinet-level advocate and is routinely advised of citizens' concerns through a network including area agency advisory boards, regional councils and the Pennsylvania Council on Aging.

Statewide services are provided through the local Area Agencies on Aging. Services include nutrition, employment, transportation, domiciliary care, protection, long-term care assessment and both basic and intensive in-home services. Additionally, the Department of Aging manages the pharmaceutical assistance program for older Pennsylvanians.

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
GRANTS & SUBSIDIES:			
Family Caregiver	\$ 8,850	\$ 9,071	\$ 9,596
(F) DCSI – Elder Abuse Education and Prevention .....	.....	.....	214
STATE FUNDS	\$ 8,850	\$ 9,071	\$ 9,596
FEDERAL FUNDS .....	.....	.....	214
GENERAL FUND TOTAL	\$ 8,850	\$ 9,071	\$ 9,810
LOTTERY FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 3,069	\$ 3,216	\$ 3,599
(F) Programs for the Aging — Title III — Administration	1,716	1,766	1,817
(F) Programs for the Aging — Title V — Administration	150	173	173
(F) Pre-Admission Assessment — Administration	197	207	220
(F) Nurse Aide Testing	39	50	54
(F) Community-Based Care — Administration — MA .....	.....	.....	218
(A) Pre-Admission Assessment	197	207	220
(A) Day Care Licensure	2	6	8
(A) Nurse Aide Testing .....	.....	50	54
(A) Community-Based Care — Administration — MA .....	.....	.....	219
Total — General Government	\$ 5,370	\$ 5,675	\$ 6,582
GRANTS AND SUBSIDIES:			
PENNCARE	\$ 148,282^a	\$ 158,059	\$ 163,938
(F) Programs for the Aging — Title III	45,260	46,000	45,000
(F) Programs for the Aging — Nutrition	9,500	8,500	8,500
(F) Programs for the Aging — Title V — Employment	4,209	4,500	4,500
(F) Programs for the Aging — Title VII — Elder Rights Protection .....	.....	.....	1,500
(F) Medical Assistance — Pre-Admission Assessment	5,187	8,263	8,754
(F) Community-Based Care — MA .....	.....	.....	4,817
(A) Pre-Admission Assessment	4,611	4,220	7,072
(A) Nursing Home Services — Ombudsman	8	23	.....
(A) Community-Based Care — MA .....	.....	.....	4,227
Total — PENNCARE	\$ 217,057	\$ 229,565	\$ 248,308
Senior Center Improvements .....	.....	2,000	.....
Pharmaceutical Assistance Fund	207,000	217,000 ^b	208,000
Subtotal — State Funds	\$ 355,282	\$ 377,059	\$ 371,938
Subtotal — Federal Funds	64,156	67,263	73,071
Subtotal — Augmentations	4,619	4,243	11,299
Total — Grants and Subsidies	\$ 424,057	\$ 448,565	\$ 456,308
STATE FUNDS	\$ 358,351	\$ 380,275	\$ 375,537
FEDERAL FUNDS	66,258	69,459	75,553
AUGMENTATIONS	4,818	4,506	11,800
LOTTERY FUND TOTAL	\$ 429,427	\$ 454,240	\$ 462,890

^a Actually appropriated as Aging Programs \$67,335,000, PENNCARE \$76,787,000, and Abuse Intervention Services for Older Pennsylvanians \$4,160,000.

^b Includes recommended supplemental appropriation of \$17,000,000.

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
OTHER FUNDS			
<i>PHARMACEUTICAL ASSISTANCE FUND:</i>			
Contracted Services (EA) .....	.....^a	.....^a	.....^a
Administration of PACE (EA) .....	.....^b	.....^b	.....^b
Comptroller Operations (EA) .....	.....^c	.....^c	.....^c
Pharmaceutical Assistance Fund Total .....	.....^d	.....^d	.....^d
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 8,850	\$ 9,071	\$ 9,596
SPECIAL FUNDS	358,351	380,275	375,537
FEDERAL FUNDS	66,258	69,459	75,767
AUGMENTATIONS	4,818	4,506	11,800
TOTAL ALL FUNDS	\$ 438,277	\$ 463,311	\$ 472,700

^a Not added to the total to avoid double counting: 1993-94 Actual is \$204,609,000, 1994-95 Available is \$213,377,000, and 1995-96 Budget is \$208,021,000.

^b Not added to the total to avoid double counting: 1993-94 Actual is \$663,000, 1994-95 Available is \$741,000, and 1995-96 Budget is \$741,000.

^c Not added to the total to avoid double counting: 1993-94 Actual is \$390,000, 1994-95 Available is \$390,000, and 1995-96 Budget is \$390,000.

^d Not added to the total to avoid double counting: 1993-94 Actual is \$205,662,000, 1994-95 Available is \$214,508,000, and 1995-96 Budget is \$209,152,000.

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
COMMUNITY SERVICES FOR OLDER PENNSYLVANIANS							
General Funds.....	\$ 8,850	\$ 9,071	\$ 9,596	\$ 9,668	\$ 9,739	\$ 9,810	\$ 9,810
Special Funds.....	151,351	163,275	167,537	172,603	177,795	183,160	188,691
Federal Funds.....	66,258	69,459	75,767	86,872	87,145	87,074	87,074
Other Funds.....	4,818	4,506	11,800	23,044	24,413	25,901	27,518
TOTAL.....	\$ 231,277	\$ 246,311	\$ 264,700	\$ 292,187	\$ 299,092	\$ 305,945	\$ 313,093
PHARMACEUTICAL ASSISTANCE							
General Funds.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Special Funds.....	207,000	217,000	208,000	205,000	201,000	198,000	195,000
Federal Funds.....	0	0	0	0	0	0	0
Other Funds.....	0	0	0	0	0	0	0
TOTAL.....	\$ 207,000	\$ 217,000	\$ 208,000	\$ 205,000	\$ 201,000	\$ 198,000	\$ 195,000
ALL PROGRAMS:							
GENERAL FUND.....	\$ 8,850	\$ 9,071	\$ 9,596	\$ 9,668	\$ 9,739	\$ 9,810	\$ 9,810
SPECIAL FUNDS.....	358,351	380,275	375,537	377,603	378,795	381,160	383,691
FEDERAL FUNDS.....	66,258	69,459	75,767	86,872	87,145	87,074	87,074
OTHER FUNDS.....	4,818	4,506	11,800	23,044	24,413	25,901	27,518
TOTAL.....	\$ 438,277	\$ 463,311	\$ 472,700	\$ 497,187	\$ 500,092	\$ 503,945	\$ 508,093

PROGRAM OBJECTIVE: To enable older Pennsylvanians to maintain active and independent lives in their own homes or alternative community living arrangements.

Program: Community Services for Older Pennsylvanians

The Department of Aging has established a network of in-home and community-based services addressing the varied needs of older Pennsylvanians. These programs enrich the lives of older Pennsylvanians and enable frail older Pennsylvanians to delay or avoid institutionalization. The 52 Area Agencies on Aging, serving all 67 counties, provide aging services at the local level.

Many older Pennsylvanians require only minimal outside support to function independently and a basic service of Area Agencies on Aging (AAA) is to inform these people of available services. AAAs sponsor over 500 senior centers throughout the Commonwealth that provide a full range of socialization, recreational and educational activities. Congregate meals, served by the centers at lunch time, provide older Pennsylvanians a hot, nutritionally balanced meal. Transportation services arranged by the agencies allow older Pennsylvanians to visit the doctor, shop or attend senior center events. A job placement service helps older Pennsylvanians find unsubsidized private sector employment and offers job training and subsidized part-time community service employment.

Frail older Pennsylvanians require more extensive and personalized services to remain in their homes and communities and avoid placement in an institutional setting such as a nursing home or personal care home. A nursing home pre-admission screening program helps older

Pennsylvanians and their families determine the least restrictive environment needed and helps secure intensive in-home services tailored to their needs.

A variety of personal support services are available for the growing population of frail older Pennsylvanians. The most common service is home delivered meals for people unable to prepare adequate meals for themselves or participate in group dining at senior centers. Personal care and related services assist functionally limited persons with key activities of daily living such as eating, dressing and personal hygiene either in their own homes or in adult daily living centers. Home support services provide for performance of labor intensive unskilled or semi-skilled maintenance, cleaning tasks or routine household chores.

Protective services are provided to older Pennsylvanians who are at imminent risk of abuse, neglect, exploitation or abandonment. Services are designed to provide the least restrictive alternative to meet the client's need.

The Department of Aging assists families who maintain frail relatives in their home through the Family Caregiver Program. Working through the AAAs, the program provides benefits counseling and, depending on income, financial assistance including supplies, services and home adaptations and devices.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Pennsylvanians 60 years and older	2,429,900	2,427,700	2,425,500	2,418,700	2,412,000	2,405,300	2,391,900
Pennsylvanians 85 years and older	195,200	203,000	210,800	219,700	228,500	237,400	246,300
Persons receiving assistance:							
Congregate meals	148,180	149,000	149,000	149,000	149,000	149,000	149,000
Transportation (complete round trips) . .	90,436	93,000	93,000	93,000	93,000	93,000	93,000
Intensive community long-term care . . .	5,515	5,800	5,800	5,800	5,800	5,800	5,800
Attendant care services	2,216	2,400	2,400	2,400	2,400	2,400	2,400
Home delivered meals	42,053	42,000	42,000	42,000	42,000	42,000	42,000
Home support services	15,584	16,000	16,000	16,000	16,000	16,000	16,000
Personal care services	26,429	27,000	27,000	27,000	27,000	27,000	27,000
Protective services	6,226	6,897	6,897	6,897	6,897	6,897	6,897
Units of services delivered:							
Employment services (unsubsidized job placements)	2,054	2,000	2,000	2,000	2,000	2,000	2,000
Volunteer services (volunteer hours) . . .	4,870,172	4,900,000	4,900,000	4,900,000	4,900,000	4,900,000	4,900,000
Home support services (client hours) . . .	581,877	570,000	570,000	570,000	570,000	570,000	570,000
Personal care services (client hours) . . .	3,252,406	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000
Families receiving caregiver support	6,136	6,000	6,300	6,300	6,300	6,300	6,300

The new Pennsylvanians 85 years and older measure reflects the growing population of frail older Pennsylvanians who require more extensive and personalized services to remain in their homes and communities.

The new protective services measure reflects services provided to those who are at imminent risk of abuse, neglect, exploitation or abandonment.

The units of services delivered for employment services is less than the measure in last year's budget because increased focus is placed on subsidized job placements in community service.

The actual and projected decline in families receiving caregiver support is because more resources are required for families whose caretakers are frailer and the average stay in the program is longer.

Program: Community Services for Older Pennsylvanians (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND:				PENNCARE	
Family Caregiver					
\$ 71	—Initiative — Elder Abuse Education and Prevention. To provide a Statewide media campaign to address the unreported crimes against the elderly.	\$ -200		—nonrecurring costs.	
		5,583		—to continue current program.	
454	—PRR — Enhancing Services for Older Pennsylvanians. This Program Revision provides additional family caregiver support for 300 families. See the Program Revision following this subcategory for further information.	496		—PRR — Enhancing Services for Older Pennsylvanians. This Program Revision provides expanded adult day care services. See the Program Revision following this subcategory for further information.	
		<u>5,879</u>		<i>Appropriation Increase</i>	
<u>\$ 525</u>	<i>Appropriation Increase</i>	<u>\$ -2,000</u>		Senior Center Improvements	
				—nonrecurring project.	
LOTTERY FUND:					
General Government Operations					
\$ -81	—nonrecurring costs.				
464	—to continue current program.				
<u>383</u>	<i>Appropriation Increase</i>				

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Family Caregiver	\$ 8,850	\$ 9,071	\$ 9,596	\$ 9,668	\$ 9,739	\$ 9,810	\$ 9,810
TOTAL GENERAL FUND	<u>\$ 8,850</u>	<u>\$ 9,071</u>	<u>\$ 9,596</u>	<u>\$ 9,668</u>	<u>\$ 9,739</u>	<u>\$ 9,810</u>	<u>\$ 9,810</u>
LOTTERY FUND:							
General Government Operations	\$ 3,069	\$ 3,216	\$ 3,599	\$ 3,747	\$ 3,874	\$ 4,021	\$ 4,178
PENNCARE	148,282	158,059	163,938	168,856	173,921	179,139	184,513
Senior Center Improvements .....	.....	2,000	.....	.....	.....	.....	.....
TOTAL LOTTERY FUND	<u>\$ 151,351</u>	<u>\$ 163,275</u>	<u>\$ 167,537</u>	<u>\$ 172,603</u>	<u>\$ 177,795</u>	<u>\$ 183,160</u>	<u>\$ 188,691</u>

Program Revision: Enhancing Services for Older Pennsylvanians

Older Pennsylvanians comprise a significant portion of the State's total population, approximately 16 percent in 1992 and increasing. The Commonwealth has responded to this change in demographics by providing a continuum of services to address the needs of older Pennsylvanians, ranging from recreational activities to institutional care. This Program Revision proposes to enhance these services by expanding the availability of community-based care and revising the Medical Assistance nursing facility reimbursement system to more accurately reflect the cost of services.

The Lottery-funded OPTIONS Program currently provides community-based alternatives to nursing home care for approximately 5,500 older Pennsylvanians each year. Through the OPTIONS Program, older Pennsylvanians in need of nursing home care are able to receive services in their own homes as opposed to being institutionalized. These individuals are able to remain in familiar surroundings while receiving services which incorporate the informal supports available through family and friends. This Program Revision proposes to expand the availability of community-based alternatives to nursing home care through a Federal Medicaid Home and Community-Based Waiver. Through the waiver, an additional 1,000 slots, defined as nursing home services provided in the client's home, will be phased-in during 1995-96 at a total cost of approximately \$9.5 million (\$4.5 million Intergovernmental Transfer funds, \$5 million Federal funds). As a result of this initiative, approximately 1,375 additional older Pennsylvanians who are in need of nursing home care will receive service in the community.

To further support older Pennsylvanians in the community, this Program Revision recommends \$454,000 to expand the Family Caregiver

Program. This program provides assistance to those who care for older persons in the home. Services include education and benefits counseling and, for low-income families, financial assistance with the expenses of supplies, home modifications and respite care. Through this initiative, approximately 300 additional families will receive assistance during 1995-96. For older Pennsylvanians who need assistance while families are unavailable, this Program Revision recommends \$496,000 to expand the adult day care program. Approximately 200 additional persons will receive adult day care services during 1995-96.

For those persons who need institutional care, this Program Revision proposes to implement a nursing facility case-mix reimbursement system which recognizes that some patients require services which are more costly than others. Under case-mix, residents will be classified into groups based on the intensity of care needed and nursing facilities will receive reimbursement rates that more closely reflect the cost of providing care. Because nursing facilities will be paid more for residents with higher care needs, access for heavier care clients should improve. In addition to basing payments on patient acuity, case-mix will incorporate cost and inflation controls, including the use of prospective rather than retrospective rates and rates based on audited rather than reported costs. As a result, the implementation of case-mix will save \$41.6 million in State funds in 1995-96.

This Program Revision enhances the continuum of services for older Pennsylvanians to provide more opportunities for community alternatives to institutionalization and to improve access to nursing homes for those in need of a higher level of care.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Additional persons receiving community-based alternatives to nursing home care							
Program Revision .....	....	....	1,375	1,375	1,375	1,375	1,375
Families receiving Family Caregiver support services							
Current.....	6,136	6,000	6,000	6,000	6,000	6,000	6,000
Program Revision .....	....	....	6,300	6,300	6,300	6,300	6,300
Additional persons receiving adult day care services							
Program Revision .....	....	....	200	200	200	200	200

Program: Enhancing Services for Older Pennsylvanians (continued)

Program Revision Recommendations: _____

This budget recommends the following changes: (Dollar amounts in Thousands)

	AGING			
	General Fund			
\$ 454	Family Caregiver	— to provide Family Caregiver support services to an additional 300 families.	\$ -41,561	
				PUBLIC WELFARE
				Long-Term Care Facilities
				— savings generated through the implementation of a nursing facility case-mix reimbursement system.
	Lottery Fund			
\$ 496	PENNCARE	— to provide Adult Day Care services to an additional 200 persons.	\$ -40,611	<i>Program Revision Total</i>

In addition, this Program Revision recommends \$4.5 million in Intergovernmental Transfer funds and \$5 million in Federal Medicaid funds to provide 1,000 community-based waiver slots as alternatives to nursing home care.

Recommended Program Revision Costs by Appropriation: _____

(Dollar amounts in Thousands)

	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Aging							
Family Caregiver	\$ 454	\$ 454	\$ 454	\$ 454	\$ 454
Public Welfare							
Long-Term Care Facilities	-41,561	-54,862	-85,815	-103,345	-125,664
LOTTERY FUND:							
PENNCARE	496	511	526	542	558
TOTAL ALL FUNDS	<u>\$ -40,611</u>	<u>\$ -53,897</u>	<u>\$ -84,835</u>	<u>\$ -102,349</u>	<u>\$ -124,652</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, as authorized by Act 36 of 1991, provides limited pharmaceutical assistance to qualified older Pennsylvanians who face a growing burden from the cost of drugs required to maintain healthy, productive lives. The program, financed by Lottery Fund revenue and administered by the Department of Aging, is referred to as PACE.

The PACE program pays the entire cost of prescription drugs and insulin supplies after a mandatory copayment is made by eligible participants. The copayment was increased from \$4 to \$6 in 1991-92 as authorized by the law which allows adjustment based on financial experience and program expenditure projections.

Pennsylvania residents who are 65 or older qualify for PACE benefits if their annual income is at or below \$13,000 for single persons and \$16,200 for married persons, and if they are not eligible for drug benefits provided by other public assistance or insurance programs. A PACE identification card, which must be renewed biannually to ensure eligibility compliance, is used to acquire prescription medications through local pharmacies.

Participating pharmacies are reimbursed for the price of drugs plus a dispensing fee. The act places limits upon the quantities of drugs that may be dispensed per prescription claim and restricts payment for a few selected drug products by only reimbursing pharmacies for package sizes greater than the smallest package size available. Pharmacies are required to stock and dispense A-rated generic drugs included in the Federal Drug Administration "Orange Book" except in the following circumstances: an A-rated generic is deemed by the Department of Aging to have too narrow a therapeutic index for safe and effective dosing;

the usual and customary charge for the brand drug is equal to or less than the least expensive generic; or the prescriber has handwritten "brand necessary" or "brand medically necessary" on the prescription. If a claimant chooses not to accept the generic, they are liable for the \$6.00 copayment and 70 percent of the average wholesale price of the brand name drug. In addition, the act prohibits payment for cosmetic drugs and for less than effective drugs without certification by the physician.

The Department of Aging is responsible for insuring compliance with the PACE program requirements. In addition to careful review of eligibility, including income verification by matching with Pennsylvania income tax returns, the department audits providers to detect and deter fraud and has established both a prospective and a retrospective drug utilization review system to monitor and correct misutilization of drug therapies.

A prudent pharmaceutical purchasing program, initially authorized by Act 36 of 1991, was reauthorized and expanded by Act 128 of 1992 to ensure that the PACE program receives a discount from drug manufacturers. PACE will pay for drug products from manufacturers who have agreed to pay a rebate of 15 percent for brand drugs and 11 percent for generic drugs purchased through the program. In addition participating manufacturers agreed to pay an excessive pharmaceutical price inflation discount equivalent to the difference between the quarterly average manufacturers' price charged for a drug and the average quarterly price charged for that drug one year earlier inflated by the Producer Price Index for pharmaceuticals.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Older Pennsylvanians enrolled (average) .	330,814	311,800	294,000	277,300	261,600	246,700	232,700
Total prescriptions per year	8,965,059	8,855,120	8,290,800	7,764,400	7,324,800	6,907,600	6,515,600
Average PACE cost per prescription	\$25.82	\$26.58	\$27.54	\$28.61	\$29.72	\$30.88	\$32.08

The total prescriptions per year has increased compared to the 1994-95 budget because the average number of pharmaceutical claims per person is higher than originally anticipated.


Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	Transfer to PACE Fund
\$ -9,000	—to continue current program within current income guidelines.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
LOTTERY FUND:							
Transfer to PACE Fund	<u>\$ 207,000</u>	<u>\$ 217,000</u>	<u>\$ 208,000</u>	<u>\$ 205,000</u>	<u>\$ 201,000</u>	<u>\$ 198,000</u>	<u>\$ 195,000</u>



Commonwealth of Pennsylvania

Department of Agriculture

The Department of Agriculture carries out activities to ensure wholesome and quality agricultural products for consumers; expand existing and develop new domestic and foreign markets for Pennsylvania's agricultural products; develop and encourage proper farming and conservation practices; prevent, control and eradicate diseases among livestock, poultry and plants; regulate the conduct of horse racing; and improve the quality of life in rural Pennsylvania.

AGRICULTURE

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
General Government Operations	\$ 19,609^a	\$ 21,567^b	\$ 22,717
(F) Diagnostic Laboratory Services	29	30	30
(F) Poultry Grading Service	99	116	116
(F) Medicated Feed Mill Inspection	14	13	16
(F) Donated Foods	140	150	150
(F) Plant Pest Detection System	49	70	40
(F) Household Commodity Program	2,444	2,500	2,000
(F) Pesticide Control	642	655	630
(F) Farmers' Market Food Coupons	277	420	420
(F) Commodity Supplemental Food Program .....	.....	10	.....
(F) Rural Development	98	130	130
(F) Marketing Improvement	16	.....	.....
(F) Model Aquaculture Development	50	50	.....
(F) Pesticide Recordkeeping Program	14	.....	.....
(A) Feed and Fertilizer	459	505	582
(A) Lime Inspection	32	33	33
(A) Soil Conditioner	23	20	20
(A) Milk Plant Inspections	27	28	27
(A) Mailing List Production	9	.....	.....
(A) Animal Industry Services	13	9	9
(A) Special Conferences and Projects	7	7	7
(A) Administrative Services	535	539	551
(A) Pesticide Regulation	792	1,155	1,134
(A) Training Rides and Attractions	7	5	6
(A) Chesapeake Bay Project	36	.....	108
(A) WIC - Reimbursement	553	940	940
(A) Weights and Measures Reimbursements	21	.....	.....
(A) Food Site Inspection	23	19	20
Subtotal — Federal Funds	\$ 3,872	\$ 4,144	\$ 3,532
Subtotal — Augmentations	2,537	3,260	3,437
Total — General Government Operations	\$ 26,018	\$ 28,971	\$ 29,686
Agricultural Conservation Easement Administration	135	183	247
(A) Reimbursement from PennDOT .....	.....	49	51
Agricultural Research	1,581	1,680	1,780
Agricultural Promotion and Education	348	350	350
Subtotal — State Funds	\$ 21,673	\$ 23,780	\$ 25,094
Subtotal — Federal Funds	3,872	4,144	3,532
Subtotal — Augmentations	2,537	3,309	3,488
Total — General Government	\$ 28,082	\$ 31,233	\$ 32,114

^a Includes \$41,000 appropriated as part of the General Government Operations appropriation in the Department of Environmental Protection, \$150,000 appropriated as part of the Environmental Program Management appropriation in the Department of Environmental Protection, \$1,245,000 appropriated as part of the Environmental Protection Operations appropriation in the Department of Environmental Protection and excludes \$24,000 for discontinued interagency billing.

^b Includes \$43,000 appropriated as part of the General Government Operations appropriation in the Department of Environmental Protection, \$155,000 appropriated as part of the Environmental Program Management in the Department of Environmental Protection, \$1,282,000 appropriated as part of the Environmental Protection Operations in the Department of Environmental Protection and excludes \$24,000 for discontinued interagency billing.

AGRICULTURE

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
<u>GENERAL FUND (continued)</u>			
<i>GRANTS AND SUBSIDIES:</i>			
Animal Health Commission	\$ 2,924	\$ 3,504	\$ 3,000
Animal Indemnities	5	50	50
Transfer to State Farm Products Show Fund	674	700	700
Livestock Show	152	152	152
Open Dairy Show	90	90	90
Junior Dairy Show	36	36	36
4-H Club Shows	41	41	41
Payments to Pennsylvania Fairs	3,698	3,700	3,700
State Food Purchase	12,000	13,000	13,000
Mushroom Promotion .....	....	100	....
Future Farmers .....	....	40	....
Organic Food Programs .....	....	50	....
Total — Grants and Subsidies	\$ 19,620	\$ 21,463	\$ 20,769
STATE FUNDS	\$ 41,293	\$ 45,243	\$ 45,863
FEDERAL FUNDS	3,872	4,144	3,532
AUGMENTATIONS	2,537	3,309	3,488
GENERAL FUND TOTAL	\$ 47,702	\$ 52,696	\$ 52,883
<u>FARM PRODUCTS SHOW FUND</u>			
<i>GENERAL GOVERNMENT:</i>			
General Operations	\$ 3,065	\$ 3,244	\$ 3,218
(A) Transfer from General Fund .....	....	....	....
(A) Farm Show Seat Replacement	12	....	....
FARM PRODUCTS SHOW FUND TOTAL	\$ 3,077	\$ 3,244	\$ 3,218
<u>RACING FUND</u>			
<i>GENERAL GOVERNMENT:</i>			
State Racing Commissions	\$ 5,404	\$ 6,089	\$ 6,311
Equine Toxicology and Research Laboratory	974	1,106	1,220
Payments to Pennsylvania Fairs — Administration	157	165	168
Total — General Government	\$ 6,535	\$ 7,360	\$ 7,699
<i>GRANTS AND SUBSIDIES:</i>			
Transfer To General Fund	\$ 958	\$ 4,609	\$ 5,484
RACING FUND TOTAL	\$ 7,493	\$ 11,969	\$ 13,183

* Not added to the total to avoid double counting: 1993-94 Actual is \$674,000, 1994-95 Available is \$700,000 and 1995-96 Budget is \$700,000.

AGRICULTURE

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts In Thousands) 1994-95 Available	1995-96 Budget
<u>OTHER FUNDS</u>			
<i>GENERAL FUND:</i>			
Agriculture Farm Operations	\$ 23	\$ 622	\$ 20
Recovery on Lost Commodities	29	29	29
Dog Law Administration	3,143	3,423	3,712
Farm Loan Program	216	216	216
Pesticide Regulatory Account	1,033	1,672	1,702
Poultry Inspection	13	13	13
Public Weightmasters	20	20	20
Plant Pest Management	62	164	140
GENERAL FUND TOTAL	\$ 4,539	\$ 6,159	\$ 5,852
<i>AGRICULTURAL CONSERVATION EASEMENT PURCHASE FUND:</i>			
Purchase of County Easements	\$ 34,311	\$ 40,838	\$ 33,500
<i>RACING FUND:</i>			
Sire Stakes Fund	\$ 2,522	\$ 3,305	\$ 3,500
Breeders' Fund	3,567	3,996	4,048
RACING FUND TOTAL	\$ 6,089	\$ 7,301	\$ 7,548
OTHER FUNDS TOTAL	\$ 44,939	\$ 54,298	\$ 46,900
DEPARTMENTAL TOTAL — ALL FUNDS			
GENERAL FUND	\$ 41,293	\$ 45,243	\$ 45,863
SPECIAL FUNDS	10,558	15,213	16,401
FEDERAL FUNDS	3,872	4,144	3,532
AUGMENTATIONS	2,549	3,309	3,488
OTHER FUNDS	44,939	54,298	46,900
TOTAL ALL FUNDS	\$ 103,211	\$ 122,207	\$ 116,184

AGRICULTURE

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
PROTECTION AND DEVELOPMENT OF AGRICULTURAL INDUSTRIES							
General Funds.....	\$ 29,293	\$ 32,243	\$ 32,863	\$ 33,891	\$ 34,779	\$ 35,805	\$ 36,899
Special Funds.....	3,222	3,409	3,386	3,525	3,645	3,784	3,931
Federal Funds.....	1,151	1,214	1,112	1,112	1,112	1,112	1,112
Other Funds.....	40,802	49,347	41,880	37,120	29,874	29,173	28,990
TOTAL.....	\$ 74,468	\$ 86,213	\$ 79,241	\$ 75,648	\$ 69,410	\$ 69,874	\$ 70,932
HORSE RACING REGULATION							
General Funds.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Special Funds.....	7,336	11,804	13,015	13,992	14,022	14,087	14,012
Federal Funds.....	0	0	0	0	0	0	0
Other Funds.....	6,089	7,301	7,548	7,548	7,548	7,548	7,548
TOTAL.....	\$ 13,425	\$ 19,105	\$ 20,563	\$ 21,540	\$ 21,570	\$ 21,635	\$ 21,560
EMERGENCY FOOD ASSISTANCE							
General Funds.....	\$ 12,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	2,721	2,930	2,420	2,420	2,420	2,420	2,420
Other Funds.....	597	959	960	961	962	963	964
TOTAL.....	\$ 15,318	\$ 16,889	\$ 16,380	\$ 16,381	\$ 16,382	\$ 16,383	\$ 16,384
ALL PROGRAMS:							
GENERAL FUND.....	\$ 41,293	\$ 45,243	\$ 45,863	\$ 46,891	\$ 47,779	\$ 48,805	\$ 49,899
SPECIAL FUNDS.....	10,558	15,213	16,401	17,517	17,667	17,871	17,943
FEDERAL FUNDS.....	3,872	4,144	3,532	3,532	3,532	3,532	3,532
OTHER FUNDS.....	47,488	57,607	50,388	45,629	38,384	37,684	37,502
TOTAL.....	\$ 103,211	\$ 122,207	\$ 116,184	\$ 113,569	\$ 107,362	\$ 107,892	\$ 108,876

AGRICULTURE

Program: Protection and Development of Agricultural Industries (continued)

Also included in this element are activities which regulate and maintain uniform standards of legal weights and measures of Commonwealth products. The Weights and Measures Division of the Bureau of Ride and Measurement Standards performed 39,761 inspections in 1993-94 and expects an increase to 42,000 in 1994-95.

To protect the consumer and assure the availability of quality agriculture products, the department regulates the sale of feed, fertilizer, lime and seeds by requiring certain label information and by sampling and analyzing products in its Harrisburg laboratories. During 1993-94, 1,262 agribusinesses were inspected and nearly 3,500 feed, fertilizer and lime samples were analyzed.

The department inspects all ornamental nurseries and greenhouses periodically to determine the presence of new plant pests. The field staff is supported by laboratories staffed by scientists to insure correct diagnosis of the pest and to quarantine and/or prescribe proper treatment. During 1993-94, more than 3,417 dealers and 2,872 nurseries and greenhouses were inspected, involving more than 29,485 acres and over 16,222,000 square feet under glass of plant material; 15.1 million vegetable transplants from out-of-state sources were also inspected to

insure they were pest free; and 406 inspections were conducted for the issuance of 1,992 certificates for the exportation of plant material. The department also inspected 2,050 apiaries involving 6,850 colonies of bees in 1993 for disease problems.

The Pesticide Control Law provides for the regulation of the use, handling, storage and transportation of pesticides. The department fulfills its statutory responsibilities by requiring registration of all pesticide products, testing and licensing of all persons who use pesticides to insure minimum competency levels, and periodically inspecting those who use, store or transport pesticides. Complaints about misuse are also investigated by the department. During 1993-94, 800 pesticide dealers and 4,025 pesticide application businesses were licensed, 35,000 pesticide applicators certified, 2,173 service technicians registered, more than 10,500 pesticide products registered, 1,244 inspections and investigations conducted, and 133 samples analyzed. This program attempts to provide for the optimum use of pesticides while minimizing their adverse effects on human life and the environment.

Pesticide expenditures are reflected in this program as Other Funds.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Agribusiness Development							
Dollar volume of food and agricultural exports (millions)	\$ 470	\$ 500	\$ 510	\$ 530	\$ 550	\$ 570	\$ 590
Trade leads generated	1,200	1,300	1,300	1,300	1,300	1,300	1,300
Additional farm acreage preserved under perpetual easements	20,269	12,000	10,000	9,800	9,600	9,500	9,500
Animal Health							
Animals examined to determine disease (thousands)	145,000	145,000	145,000	145,000	145,000	145,000	145,000
Animals quarantined (thousands)	2,077	100	100	100	100	100	100
Animals destroyed	1	100	100	10	10	10	10
Consumable Agricultural Products							
Incidence of food products showing major discrepancies	66,000	65,000	65,000	65,000	65,000	65,000	65,000
Dollar value of:							
Products removed from the market (thousands)	\$ 3,500	\$ 3,225	\$ 3,225	\$ 3,225	\$ 3,225	\$ 3,225	\$ 3,225
Consumer commodities inspected (thousands)	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000

The increase in the dollar volume of exports compared to last year's budget results from changes including the value of the dollar, approval of the North American Free Trade Agreement (NAFTA), increased purchases by Pacific Rim Countries, Russia and Eastern Europe and increased export awareness and efforts on the part of Pennsylvania companies as domestic markets continue to mature.

The increase in 1993-94 and decrease in subsequent years in animals quarantined are due to increased poultry disease and the reduction in quarantines because they are ineffective for this disease.

Changes in animals destroyed measures are estimates of possible outbreaks of influenza and tuberculosis, which are extremely difficult to project.

AGRICULTURE

Program: Protection and Development of Agricultural Industries (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND:		Agricultural Conservation Easement Administration	
	General Government Operations		
\$ -741	—nonrecurring projects.	\$ 64	—to continue current program.
485	—for new Harrisburg lab.		
45	—for inspection responsibilities involving 18,000 licensed food and drinking establishments. These responsibilities will be transferred to Agriculture from the Department of Environmental Protection effective July 1, 1995.	\$ 100	Agricultural Research —to continue current program.
		\$ -869	Animal Health Commission —nonrecurring projects.
		365	—to continue current program.
<u>1,361</u>	—to continue current program.	<u>\$ -504</u>	<i>Appropriation Decrease</i>
\$ 1,150	<i>Appropriation Increase</i>		

All other General Fund appropriations are recommended to be continued at current levels or discontinued because they were nonrecurring projects.

FARM PRODUCTS SHOW FUND:		RACING FUND:	
	General Operations		
\$ -183	—nonrecurring projects.	\$ 3	—to continue current program.
<u>157</u>	—to continue current program.		
\$ -26	<i>Appropriation Decrease</i>		

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
General Government Operations	\$ 19,609	\$ 21,567	\$ 22,717	\$ 23,648	\$ 24,452	\$ 25,381	\$ 26,371
Agricultural Conservation Easement Administration	135	183	247	257	266	276	287
Agricultural Research	1,581	1,680	1,780	1,853	1,916	1,989	2,067
Agricultural Promotion and Education	348	350	350	364	376	390	405
Animal Health Commission	2,924	3,504	3,000	3,000	3,000	3,000	3,000
Animal Indemnities	5	50	50	50	50	50	50
Transfer to State Farm Products Show Fund	674	700	700	700	700	700	700
Livestock Show	152	152	152	152	152	152	152
Open Dairy Show	90	90	90	90	90	90	90
Junior Dairy Show	36	36	36	36	36	36	36
4-H Club Shows	41	41	41	41	41	41	41
Payments to Pennsylvania Fairs	3,698	3,700	3,700	3,700	3,700	3,700	3,700
Mushroom Promotion		100					
Future Farmers		40					
Organic Food Programs		50					
TOTAL GENERAL FUND	<u>\$ 29,293</u>	<u>\$ 32,243</u>	<u>\$ 32,863</u>	<u>\$ 33,891</u>	<u>\$ 34,779</u>	<u>\$ 35,805</u>	<u>\$ 36,899</u>
FARM PRODUCTS SHOW FUND:							
General Operations	\$ 3,065	\$ 3,244	\$ 3,218	\$ 3,350	\$ 3,464	\$ 3,596	\$ 3,736
RACING FUND:							
Payments to Pennsylvania Fairs — Administration	\$ 157	\$ 165	\$ 168	\$ 175	\$ 181	\$ 188	\$ 195

PROGRAM OBJECTIVE: To prevent consumer fraud in the racing industry.

Program: Horse Racing Regulation

Activities in this program area include the development and implementation of rules, regulations and procedures to insure the public and harness and horse owners of honest and safe competitive 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.

From monies remaining in the Racing Fund after payment of necessary expenses, percentages of the amount wagered, as specified by law, are credited to the Breeders' Fund and to the Sire Stakes' Fund. All remaining monies in the Racing Fund are then transferred to the General Fund in the subsequent fiscal year.

The Equine Toxicology and Research Laboratory tests for the presence of foreign substances in the blood and urine of race horses following all races to ensure that no foreign substances have been administered prior to a race.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Investigations to insure compliance with established rules and regulations:							
Harness	220	300	300	300	300	300	300
Horse	1,980	2,000	2,000	2,000	2,000	2,000	2,000
Participant licenses issued:							
Harness	3,523	3,900	3,800	3,600	3,900	3,800	3,600
Horse	6,957	7,800	7,250	7,000	7,800	7,250	7,000
Licenses suspended for noncompliance of rules and regulations:							
Harness	348	400	400	400	400	400	400
Horse	498	500	500	500	500	500	500
Racing days approved:							
Harness	381	372	370	370	370	370	370
Horse	499	520	520	520	520	520	520

Harness investigations and suspensions are based on actual race occurrences; both were less than projected for 1993-94 in last year's budget.

Licenses are issued in three year cycles by alphabetical groupings; the data is therefore appropriately reflected.

Harness racing days declined from previous projections due to simulcasting. Horse racing days declined in 1993-94 due to the unusual amount of closings due to winter weather.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	RACING FUND:			Transfer to the General Fund
	State Racing Commissions		\$ 875	—funds available for transfer. Law requires
\$ -83	—nonrecurring projects.			June 30th ending surplus to be transferred to
305	—to continue current program.			the General Fund.
<hr/>				
\$ 222	<i>Executive Authorization Increase</i>			
	Equine Toxicology and Research Laboratory			
\$ -25	—nonrecurring projects.			
139	—to continue current program.			
<hr/>				
\$ 114	<i>Executive Authorization Increase</i>			

AGRICULTURE

Program: Horse Racing Regulation (continued)

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
RACING FUND:							
State Racing Commissions	\$ 5,404	\$ 6,089	\$ 6,311	\$ 6,570	\$ 6,793	\$ 7,051	\$ 7,326
Equine Toxicology and Research							
Laboratory	974	1,106	1,220	1,270	1,313	1,363	1,416
Transfer to the General Fund	958	4,609	5,484	6,152	5,916	5,673	5,270
TOTAL STATE RACING FUND	<u>\$ 7,336</u>	<u>\$ 11,804</u>	<u>\$ 13,015</u>	<u>\$ 13,992</u>	<u>\$ 14,022</u>	<u>\$ 14,087</u>	<u>\$ 14,012</u>

AGRICULTURE

PROGRAM OBJECTIVE: To distribute surplus and donated food through institutions and counties or designated lead agencies to individuals and families who are dependent or disadvantaged to support minimum standards of living and economic independence.

Program: Emergency Food Assistance

The State funded State Food Purchase Program provides grants to counties or a designated lead agency to purchase food to be provided to the needy. Grants are allocated to counties based on these factors: unemployment, food stamp recipients not on public assistance and medical assistance recipients and households with earned income receiving assistance. Administrative costs of this program are funded from the grants with a seven percent limit on administrative allocations.

This program also distributes Federal surplus food through two programs: the traditional program involving schools, prisons, hospitals, summer camps, etc; and the Federal Emergency Food Assistance

Program (EFAP) which involves distribution of U.S. Department of Agriculture surplus food to the needy in Pennsylvania who meet certain eligibility criteria.

The traditional program distributes commodities among the states based on daily census and allocates commodities within the State based on the same criteria. The EFAP commodities are allocated among the states according to unemployment and poverty levels and are allocated within the State based on the same criteria. Administrative and warehousing costs for both programs have been borne by the Federal Government.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Dollar value of commodities distributed (thousands)	\$40,000	\$39,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000
Persons receiving donated or surplus foods (thousands):							
Traditional program	1,000	1,000	1,000	1,000	1,000	1,000	1,000
EFAP	2,500	2,500	2,500	2,500	2,500	2,500	2,500
State Food Purchase Program	3,000	3,000	3,000	3,000	3,000	3,000	3,000

The projected decline in 1995-96 in the dollar value of commodities distributed is due to an expected decrease in commodities received from the Federal Government.


Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Appropriation recommended at current year levels.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
State Food Purchase	\$ 12,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000



Commonwealth of Pennsylvania

Department of Banking

The Department of Banking protects the public through the examination of records, accounts and policies of State-chartered financial institutions.

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
<u>BANKING DEPARTMENT FUND</u>			
<i>GENERAL GOVERNMENT:</i>			
General Operations	\$ 11,675	\$ 10,413	\$ 9,841
BANKING DEPARTMENT FUND TOTAL	<u>\$ 11,675</u>	<u>\$ 10,413</u>	<u>\$ 9,841</u>

BANKING

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
REGULATION OF FINANCIAL INSTITUTIONS							
General Funds.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Special Funds.....	11,675	10,413	9,841	10,244	10,593	10,995	11,424
Federal Funds.....	0	0	0	0	0	0	0
Other Funds.....	0	0	0	0	0	0	0
TOTAL.....	\$ 11,675	\$ 10,413	\$ 9,841	\$ 10,244	\$ 10,593	\$ 10,995	\$ 11,424
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	11,675	10,413	9,841	10,244	10,593	10,995	11,424
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
TOTAL.....	\$ 11,675	\$ 10,413	\$ 9,841	\$ 10,244	\$ 10,593	\$ 10,995	\$ 11,424

PROGRAM OBJECTIVE: To insure the maintenance of an economically sound and competitive system of State-chartered financial institutions.

Program: Financial Institution Regulation

This program involves supervision, regulation and examination of the records, accounts and policies of State-chartered banking institutions, savings associations, credit unions and state-licensed sales finance companies, installment sellers, money transmitters, consumer discount companies, collector-repossessors, pawnbrokers and first or second mortgage bankers and brokers. Other activities included in this program area are examinations of business development credit corporations and special investigations where necessary.

As of June 30, 1994, there were 204 banks under the department's supervision: 58 commercial banks, 69 banks and trust companies, 49 savings banks, one private bank and 21 trust companies. In addition there were six foreign banks which maintained branch offices in Pennsylvania. Also there were 119 bank holding companies and 33 multi-bank holding companies in operation in Pennsylvania.

The 6,904 entities licensed by the Department of Banking at the end of June 1994 consisted primarily of 3,338 installment sellers, 982 first mortgage bankers and brokers, 1,057 second mortgage companies, 762 sales finance companies and 568 consumer discount companies. The balance of the licenses were issued to pawnbrokers, money transmitters and collector-repossessors.

Program responsibilities of the Department of Banking were greatly expanded during 1990 by the enactment of several new laws. State-chartered credit unions were granted the authority to branch interstate on a reciprocal basis and Pennsylvania banks were given permission to branch Statewide. Legislation also provided for nationwide reciprocal interstate banking by commercial banks, savings banks, and savings and loan associations. Under the interstate banking laws, the Department of Banking must approve all the following interstate activity: interstate acquisitions and denovo (newly chartered) banks by all commercial bank

holding companies; and Interstate branching, merging and acquisitions by state chartered thrift institutions. The Department of Banking is to monitor the safety and soundness of the interstate institutions and ensure that the needs of Pennsylvania's communities are adequately served. This entails assuring that Pennsylvania residents have available to them the basic transaction accounts offered by the in-state institutions and that the Commonwealth's economy does not suffer through a lack of loans and other services which are required to enhance and maintain the economy of the Commonwealth.

The department's responsibilities were further expanded with the passage of Act 191 of 1991 which permitted savings banks to branch, merge and acquire on a nationwide reciprocal basis, and authorized the establishment of mutual holding companies by State-chartered savings banks.

Act 77 of 1992 authorized "interaffiliate banking" by State-chartered savings banks with the approval of the department. Act 89 of 1992 permitted savings and loan associations to operate on a nationwide reciprocal basis and authorized "interaffiliate banking" for State-chartered savings and loan associations. Act 90 of 1992 encourages the establishment of mutual holding companies by savings banks. The department received applications from savings banks desirous of reorganizing into mutual holding companies during 1993-94. Act 150 of 1992 required unlicensed consumer loan brokers to register with the department.

Beginning with the 1995-96 fiscal year, Act 52 of 1994 requires that fees, assessments and penalties paid into the Banking Department Fund be appropriated by the General Assembly.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Supervision of State-chartered:							
Banks	204	200	196	192	188	184	180
Savings and loan associations	78	75	70	40	35	30	25
Credit Unions	108	105	100	95	90	85	80
Consumer credit agencies and branches licensed	3,566	3,700	3,700	3,700	3,700	3,700	3,700
Installment sellers licensed	3,338	3,300	3,300	3,300	3,300	3,300	3,300

The changes in the program measures for both the number of State-chartered savings and loan associations and the number of State-chartered credit unions is attributed to merger and consolidation activity within the financial industry.

The increase in the number of consumer credit agencies is the result of an increased number of companies applying for first and/or second mortgage lender and broker licenses.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Operations
\$ -572 —to continue current program.

Appropriation within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
BANKING DEPARTMENT FUND:							
General Operations	\$ 11,675	\$ 10,413	\$ 9,841	\$ 10,244	\$ 10,593	\$ 10,995	\$ 11,424



Commonwealth of Pennsylvania

Civil Service Commission

The Civil Service Commission administers the Commonwealth's merit system. The responsibilities of the commission include: recruitment of qualified candidates; evaluation of applicants' education and experience to determine if minimum requirements have been met; development and administration of examinations; and certification of eligibles to the appointing agencies.

CIVIL SERVICE COMMISSION

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 1	\$ 1	\$ 1
(A) Fees from Agencies	10,303	10,672	11,394
(A) Special Merit System Services	768	883	936
STATE FUNDS	\$ 1	\$ 1	\$ 1
AUGMENTATIONS	11,071	11,555	12,330
GENERAL FUND TOTAL	\$ 11,072	\$ 11,556	\$ 12,331

CIVIL SERVICE COMMISSION

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
PERSONNEL SELECTION							
General Funds.....	\$ 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.....	11,071	11,555	12,330	12,835	13,271	13,775	14,312
TOTAL.....	\$ 11,072	\$ 11,556	\$ 12,331	\$ 12,836	\$ 13,272	\$ 13,776	14,313
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.....	11,071	11,555	12,330	12,835	13,271	13,775	14,312
TOTAL.....	\$ 11,072	\$ 11,556	\$ 12,331	\$ 12,836	\$ 13,272	\$ 13,776	14,313

CIVIL SERVICE COMMISSION

PROGRAM OBJECTIVE: To provide a sufficient number of qualified, available persons to meet merit system manpower needs.

Program: Personnel Selection

Through this program, the Civil Service Commission provides qualified persons to meet merit system staffing needs.

The commission works toward bringing the Commonwealth merit system into full compliance with all State laws and regulations concerning employe selection procedures and the Federal Uniform Guidelines on Employee Selection Procedures. This includes job analysis and implementation of a program to identify and correct adverse impacts of exams on protected groups.

Goals of the commission include: 1) identification and elimination of adverse impact; 2) development of more valid examinations; 3) identification and elimination of discrimination in the Commonwealth's personnel system; 4) increased efficiency in meeting personnel needs of other State agencies; and 5) prompt and accurate resolution or adjudication of complaints, grievances and appeals.

The funds supporting this program are received from billing various General and Special Fund agencies.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Total eligibles on lists	243,527	270,000	270,000	270,000	270,000	270,000	270,000
Persons scheduled for exams	175,807	200,000	200,000	200,000	200,000	200,000	200,000
Appeal requests received and processed	558	650	650	650	650	650	650
Certifications audited	4,318	5,500	5,500	5,500	5,500	5,500	5,500
People with disabilities provided employment information	1,142	1,200	1,200	1,200	1,200	1,200	1,200

The people with disabilities provided employment information measure now counts the number of persons assisted as part of a group presentation. Previously only individual persons were counted.

The certifications audited measure for 1993-94 consists of audits performed by individuals. The 1994-95 and future years' amounts also include estimated audits to be performed by computer program.


Program Recommendations:

This budget recommends the following changes in augmentations received from agency billings. (Dollar Amounts in Thousands)

General Government Operations
 \$ 775 —to continue current program.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
General Government Operations	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1



Commonwealth of Pennsylvania

Department of Commerce

The Department of Commerce administers economic development programs in a manner that provides the Commonwealth with the essential elements to be competitive with its resources and create employment for its residents, respond to economic development opportunities as well as to target resources to the most critical areas.

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 14,968 ^a	\$ 16,486 ^a	\$ 11,955
(F) ARC — Technical Assistance	258	450	450
(F) Community Planning Assistance .....	....	200	145
(A) Minority Business Development Authority	746	742	745
(A) African American Commission	279	367	370
(A) Nursing Home Loan	142	112	....
(A) Copy Center Services	287	290	290
(A) Pennsylvania Industrial Development Authority	992	1,040	1,030
(A) Pennsylvania Economic Development Financing Authority	207	195	....
(A) Recycling Fund Reimbursement	100	100	100
(A) Capital Loan	111	130	130
(A) Recycling Incentive Development	283	4,000	4,000
(A) Storage Tank Loan Fund	22	27	27
(A) Sunny Day Fund .....	....	97	100
(A) Air Quality Improvement Fund .....	....	30	20
(A) Infrastructure Development .....	....	4	4
(A) Hazardous Sites Assessment .....	....	1,000	1,000
(A) Small Business Ombudsman	119	110	117
(R) Small Business Advocate — Utilities	739 ^b	788 ^b	946 ^b
Subtotal — Federal Funds	\$ 258	\$ 650	\$ 595
Subtotal — Augmentations	3,288	8,244	7,933
Subtotal — Restricted Revenues	739	788	946
Subtotal — General Government Operations	\$ 19,253	\$ 26,168	\$ 21,429
Marketing	7,105	6,000	6,000
(A) Marketing Reimbursements	40	....	....
Subtotal — State Funds	\$ 22,073	\$ 22,486	\$ 17,955
Subtotal — Federal Funds	258	650	595
Subtotal — Augmentations	3,328	8,244	7,933
Subtotal — Restricted Revenues	739	788	946
Total — General Government	\$ 26,398	\$ 32,168	\$ 27,429
GRANTS AND SUBSIDIES:			
Local Business Development	\$ 2,920 ^c	\$ 4,500 ^d	\$ 2,000
Appalachian Regional Commission	223	230	242
Community Facilities	1,463	1,000	....
Customized Job Training	7,755 ^e	7,755 ^e	10,000
(F) Job Link — Customized Job Training	689 ^e	1,500 ^e	1,500
Transfer to Economic Revitalization Fund	65,500	42,500	....
Transfer to Ben Franklin / Industrial Resource Centers			
Partnership Fund	32,979 ^f	32,290 ^g	35,000
(F) Job Link — Ben Franklin / Industrial Resource Centers	150	150	150
(F) Work Based Learning	246	....	....
(F) EDA — Defense Cuts Assessment	250	....	....
(A) Environmental Technology Research Grants	294	....	....

^a Excludes \$39,000 for discontinued interagency billing.

^b Appropriation from restricted revenue account.

^c Actually appropriated as \$490,000 for Industrial Development Assistance, \$1,150,000 for Local Development District Grants and \$1,280,000 for Small Business Development Centers.

^d Actually appropriated as \$1,000,000 for Industrial Development Assistance, \$1,500,000 for Local Development District Grants and \$2,000,000 for Small Business Development Centers.

^e Actually appropriated to the Department of Education.

^f Actually appropriated as \$25,189,000 for the Ben Franklin Partnership and \$7,790,000 for the Industrial Resource Centers.

^g Actually appropriated as \$25,000,000 for the Ben Franklin Partnership and \$7,290,000 for the Industrial Resource Centers.

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
<i>GRANTS AND SUBSIDIES CONTINUED: (continued)</i>			
Tourist Promotion Assistance	\$ 7,400	\$ 7,400	\$ 7,770
PENNPORTS	13,480	11,193	10,401
Economic Development Financing Authority	240	250	....
Defense Conversion .....	....	157	53
Hardwoods Research and Promotion .....	....^h	400	400
Music Theater Festival	100	100	....
Horticultural Exposition .....	....	250	....
Engineering Research Center .....	....^h	400	....
Center for Light Microscope Imaging .....	....^h	400	....
Biotech Research .....	....^h	1,500	....
Powdered Metallurgy Research .....	....^h	200	....
Super Computer Center .....	....^h	1,200	1,500
Infrastructure Development	784 ⁱ	700 ^j	26,200
Transfer to Sunny Day Fund .....	....	25,000	15,000
Transfer to Minority Business Development Fund	1,200	7,150	5,000
Welcome America	1,000	1,000	....
Micro-Loan Program	100	....	....
Southeast Science Center .....	....	2,000	....
Employee Ownership Assistance .....	....^k	....^k	250
Community Economic Recovery .....	....^l	....^l	2,000
Transfer to Capital Loan Fund .....	....^m	....^m	8,000
Housing and Redevelopment — Economic Development Setaside ...	....ⁿ	....ⁿ	15,000
Subtotal — State Funds	\$ 135,144	\$ 147,575	\$ 138,816
Subtotal — Federal Funds	1,335	1,650	1,650
Subtotal — Augmentations	294	....	....
Total — Grants and Subsidies	\$ 136,773	\$ 149,225	\$ 140,466
STATE FUNDS	\$ 157,217	\$ 170,061	\$ 156,771
FEDERAL FUNDS	1,593	2,300	2,245
AUGMENTATIONS	3,622	8,244	7,933
RESTRICTED REVENUES	739	788	946
GENERAL FUND TOTAL	\$ 163,171	\$ 181,393	\$ 167,895

ECONOMIC REVITALIZATION FUND

GRANTS AND SUBSIDIES:

Engineering School Equipment	\$ 1,000	....	....
Business Infrastructure Development	14,500	\$ 12,500	....^o
Employee Ownership — Technical Assistance	216	250	....^p
Beaver Valley Revitalization	250	250	....
Mon Valley Revitalization	1,000	1,000	....
Shenango Valley Revitalization	250	250	....
Community Economic Recovery	1,470	1,000	....^p

ⁿ Included in the Ben Franklin Partnership appropriation at \$400,000 each for Hardwoods Research and Promotion, Engineering Research Centers and Light Microscope Imaging, \$200,000 for Powdered Metallurgy Research and \$1,000,000 for the Super Computer Center.

ⁱ In addition program includes expenditures from the Pennsylvania Economic Revitalization Fund (PERF) of \$14,500,000 for Business Infrastructure Development and \$13,426,000 for the Industrial Communities Site Development and Action Program.

^j In addition program includes appropriations from PERF of \$12,500,000 for Business Infrastructure Development and \$13,000,000 for the Industrial Communities Site Development and Action Program.

^k Actually appropriated from PERF at \$216,000 in 1993-94 and \$250,000 in 1994-95.

^l Actually appropriated from PERF at \$1,470,000 in 1993-94 and \$1,000,000 in 1994-95.

^m Actually appropriated from PERF to the Machinery and Equipment Loan Fund at \$7,800,000 in 1993-94 and \$7,000,000 in 1994-95.

^o Actually appropriated from PERF to the Department of Community Affairs at \$21,500,000.

^p Merged with Industrial Communities Site Development and Action Program and Site Development and transferred to the General Fund.

^q Transferred to the General Fund.

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
OTHER FUNDS			
Alle-Kiski Valley Revitalization	\$ 250	\$ 250	....
Machinery and Equipment Loan Fund	7,800	7,000	....^q
Butler Revitalization	250	250	....
Lawrence Revitalization	250	250	....
Industrial Communities Site Development and Action	13,426	13,000	....^r
PENNAG — Transfer to Capital Loan Fund	980 ^s	1,000 ^s	....
Housing and Redevelopment—Economic Development Setaside	21,500 ^t	21,500 ^t	....
ECONOMIC REVITALIZATION FUND TOTAL	\$ 63,142	\$ 58,500	....
AIR QUALITY IMPROVEMENT FUND:			
General Operations .....	....	\$ 30	\$ 20
Air Quality Improvement Loans .....	....	2,700	2,000
AIR QUALITY IMPROVEMENT FUND TOTAL .....	....	\$ 2,730	\$ 2,020
BEN FRANKLIN / IRC PARTNERSHIP FUND:			
Ben Franklin / IRC .....	....	\$ 31,760	\$ 35,000
(F) EPA — Environmental Technology .....	....	....	1,000
(F) EPA — Defense Cuts Assessments .....	....	300	....
(F) JTPA — School-to-Work .....	....	580	....
(A) Recycling Research Grants .....	....	1,350	1,500
Electronic Manufacturing Network .....	....	30	....
Agility Manufacturing .....	....	500	....
BEN FRANKLIN / IRC PARTNERSHIP FUND TOTAL .....	....	\$ 34,520	\$ 37,500
CAPITAL LOAN FUND:			
Capital Loans — Industries	\$ 6,761 ^u	\$ 13,700 ^v	\$ 30,431
Capital Loans — EDA	740	1,000	1,000
Transfer to Economic Revitalization Fund .....	....	15,000	....
Capital Loans — EDA Defense Conversion .....	....	5,000	2,000
General Operations .....	....	....	144
CAPITAL LOAN FUND TOTAL	\$ 7,501	\$ 34,700	\$ 33,575
MACHINERY AND EQUIPMENT LOAN FUND:			
General Operations	\$ 193	\$ 200	....^w
Machinery and Equipment Loans	15,933	17,715	....^w
MACHINERY AND EQUIPMENT LOAN FUND TOTAL	\$ 16,126	\$ 17,915	....
MINORITY BUSINESS DEVELOPMENT FUND:			
General Operations	\$ 2,032	\$ 2,730	\$ 2,260
Legal Contingency	6	....	....
Minority Business Development Loans	5,063	6,000	5,200
Venture Capital Fund	750	2,600	....
MINORITY BUSINESS DEVELOPMENT FUND TOTAL	\$ 7,851	\$ 11,330	\$ 7,460
STORAGE TANK LOAN FUND:			
General Operations	\$ 22	\$ 27	\$ 28
Storage Tank Loans	420	900	616
STORAGE TANK LOAN FUND TOTAL	\$ 442	\$ 927	\$ 644

^q Merged into the Capital Loan Fund and partially funded via a General Fund transfer to that fund.

^r Merged with Business Infrastructure Development and Site Development and transferred to the General Fund.

^s Actually appropriated to the Department of Agriculture.

^t Actually appropriated to the Department of Community Affairs.

^u Actually appropriated as \$5,297,000 for Capital Loans-PERF, \$356,000 for Capital Loans-Apparel Loan Board, \$1,106,000 for Capital Loans-PENNAG Fund and \$2,000 for Capital Loans-General Fund.

^v Actually appropriated as \$10,119,000 for Capital Loans-PERF, \$1,381,000 for Capital Loans-Apparel Loan Board, \$1,500,000 for Capital Loans-PENNAG Fund and \$700,000 for Capital Loans-General Fund.

^w Transferred to Capital Loan Fund.

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
OTHER FUNDS (continued)			
SUNNY DAY FUND:			
CONFAB/ICD Industries	\$ 6,825	....	....
Union Switch and Signal	4,500	....	....
AEG Transportation Systems	7,000	....	....
Carol Cable	3,000	....	....
MACK Trucks	2,700	....	....
Saratan, Inc.	2,000	....	....
National Westminster Bancorp, Inc. — Grants .....	....	\$ 1,150	....
National Westminster Bancorp, Inc. — Loans .....	....	10,000	....
J&L Specialty Steel, Inc. ....	....	2,500	....
BRW Steel .....	....	13,000	....
Cephalon, Inc. ....	....	10,000	....
C-Cor Electronics, Inc. ....	....	4,500	....
Buffalo Molded Plastics, Inc. ....	....	5,000	....
Starbucks Coffee Company, Inc. ....	....	6,250	....
Mascotech Sintered Components, Inc. ....	....	2,500	....
AEP Industries .....	....	3,300	....
Tate Access Floor, Inc. ....	....	2,750	....
Brodart Co. ....	....	2,000	....
Worldclass Steel, Inc. ....	....	11,800	....
Crown, Cork and Seal Co. ....	....	4,250	....
R.R. Donnelley and Sons .....	....	2,000	....
Metro Machine of Pennsylvania .....	....	5,000	....
SUNNY DAY FUND TOTAL	<u>\$ 26,025</u>	<u>\$ 86,000</u>	....
WORKMEN'S COMPENSATION ADMINISTRATION FUND:			
(R) Small Business Advocate — Workers' Compensation .....	....	\$ 209	\$ 265
WORKMEN'S COMPENSATION ADMINISTRATION FUND TOTAL .....	....	<u>\$ 209</u>	<u>\$ 265</u>
OTHER FUNDS TOTAL	<u>\$ 57,945</u>	<u>\$ 188,331</u>	<u>\$ 81,464</u>
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 157,217	\$ 170,061	\$ 156,771
SPECIAL FUNDS	63,142	58,500	....
FEDERAL FUNDS	1,593	2,300	2,245
AUGMENTATIONS	3,622	8,244	7,933
RESTRICTED REVENUES	739	788	946
OTHER FUNDS	57,945	188,331	81,464
TOTAL ALL FUNDS	<u>\$ 284,258</u>	<u>\$ 428,224</u>	<u>\$ 249,359</u>

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
ECONOMIC DEVELOPMENT SUPPORT SERVICES							
General Funds.....	\$ 33,616	\$ 35,866	\$ 29,967	\$ 30,204	\$ 29,551	\$ 29,951	\$ 30,378
Special Funds.....	3,720	3,250	0	0	0	0	0
Federal Funds.....	258	650	595	450	450	450	450
Other Funds.....	3,860	9,046	9,144	8,288	8,420	8,563	8,726
TOTAL.....	\$ 41,454	\$ 48,812	\$ 39,706	\$ 38,942	\$ 38,421	\$ 38,964	\$ 39,554
BUSINESS AND JOB DEVELOPMENT							
General Funds.....	\$ 90,622	\$ 96,205	\$ 90,304	\$ 90,304	\$ 90,304	\$ 90,304	\$ 90,312
Special Funds.....	58,422	55,250	0	0	0	0	0
Federal Funds.....	689	1,500	1,500	1,500	1,500	1,500	1,500
Other Funds.....	58,152	153,797	43,699	42,706	42,712	42,719	42,726
TOTAL.....	\$ 207,885	\$ 306,752	\$ 135,503	\$ 134,510	\$ 134,516	\$ 134,523	\$ 134,538
TECHNOLOGY DEVELOPMENT							
General Funds.....	\$ 32,979	\$ 37,990	\$ 36,500	\$ 36,500	\$ 36,500	\$ 36,500	\$ 36,500
Special Funds.....	1,000	0	0	0	0	0	0
Federal Funds.....	646	150	150	150	150	150	150
Other Funds.....	294	34,520	37,500	37,500	37,500	37,500	37,500
TOTAL.....	\$ 34,919	\$ 72,660	\$ 74,150	\$ 74,150	\$ 74,150	\$ 74,150	\$ 74,150
ALL PROGRAMS:							
GENERAL FUND.....	\$ 157,217	\$ 170,061	\$ 156,771	\$ 157,008	\$ 156,355	\$ 156,755	\$ 157,190
SPECIAL FUNDS.....	63,142	58,500	0	0	0	0	0
FEDERAL FUNDS.....	1,593	2,300	2,245	2,100	2,100	2,100	2,100
OTHER FUNDS.....	62,306	197,363	90,343	88,494	88,632	88,782	88,952
TOTAL.....	\$ 284,258	\$ 428,224	\$ 249,359	\$ 247,602	\$ 247,087	\$ 247,637	\$ 248,242

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: Economic Development Support Services

This program is keyed toward the development of both Statewide and regional/local economic development strategies. It also seeks to ensure that the Commonwealth's economic development programs are managed and utilized in a targeted and cost-effective manner that maximizes their impact on business development.

A key function is the Governor's Response Team. The Response Team reacts immediately to major problems and opportunities related to economic development including major business locations, relocations, expansions or dislocations which require administration-wide, multi-departmental involvement.

Marketing and local planning assistance efforts further supplement the day to day operations of the Department of Commerce. Marketing plays an important role in two distinct areas: selling Pennsylvania to individuals as an attractive place to vacation in order to maximize Pennsylvania's share of the tourism dollar; and selling Pennsylvania to industry as possessing a good business climate, as well as being an excellent place to live and work. Toward these ends, the department runs two separate extensive multi-media advertising campaigns, one targeting economic development and the other targeting tourism.

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. A primary means available to assist export trade is to provide small businesses with support in overcoming the many legal, financial and logistical problems inherent in doing business internationally. Domestically the marketing program targets key industries — those in which Pennsylvania has exhibited a particular competitive advantage.

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 proper meshing of the Commonwealth's tourism program with the TPAs' efforts.

Local business development efforts aid in arranging financing packages and in local marketing and promotion activities, while providing direct managerial and technical assistance to small businesses.

The Community Economic Recovery Program provides grants to local agencies for the development of economic recovery strategies.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Traveler expenditures (in millions)	\$10,124	\$10,630	\$11,160	\$11,720	\$12,305	\$12,920	\$13,560
Tourist Promotion Assistance:							
Public/private funds leveraged (in thousands)	\$30,182	\$31,901	\$33,490	\$35,165	\$36,925	\$38,770	\$40,700
Designated distressed communities assisted	2,024	1,000	1,000	1,000	1,000	1,000	1,000
Feasibility studies funded	20	15	15	15	15	15	15

Communities assisted declined from previous projections due to an emphasis on more individual projects that incorporated fewer communities in each project.

Program: Economic Development Support Services (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>GENERAL FUND:</p> <p>General Government Operations</p> <p>\$ -7,555 —nonrecurring projects.</p> <p>771 —to continue current program.</p> <p>1,000 —PRR — Focusing Economic Development Efforts. To expand exporting efforts into additional countries. See the Program Revision following the Technology Development program for more information.</p> <p>1,153 —to provide computer system enhancements.</p> <p>280 —to merge the PENNPORTS administration function into this appropriation.</p> <hr/> <p>\$ -4,531 <i>Appropriation Decrease</i></p> <p>Appalachian Regional Commission</p> <p>\$ 12 —to continue current program.</p> <p>Tourist Promotion Assistance</p> <p>\$ 370 —to expand local tourism efforts.</p>	<p>Local Business Development</p> <p>—nonrecurring projects.</p> <p>—PRR — Focusing Economic Development Efforts. To integrate service delivery programs aimed at companies seeking technical, managerial, marketing and promotion assistance. See the Program Revision following the Technology Development program for more information.</p> <hr/> <p>\$ -2,500 <i>Appropriation Decrease</i></p> <p>Community Economic Recovery</p> <p>\$ 1,000 —program transferred from Economic Revitalization Fund.</p> <p>1,000 —for geographically targeted revitalization projects.</p> <hr/> <p>\$ 2,000 <i>Appropriation Increase</i></p>
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Other General Fund appropriations are recommended to be continued at current year levels or discontinued because they are nonrecurring projects.

ECONOMIC REVITALIZATION FUND:

\$ -1,000	Community Economic Recovery —program transferred to General Fund.
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This budget recommends elimination of all other Economic Revitalization Fund appropriations in this program and proposes future funding, where appropriate, from the General Fund.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
General Government Operations	\$ 14,968	\$ 16,486	\$ 11,955	\$ 12,192	\$ 11,539	\$ 11,939	\$ 12,366
Marketing	7,105	6,000	6,000	6,000	6,000	6,000	6,000
Appalachian Regional Commission	223	230	242	242	242	242	242
Tourist Promotion Assistance	7,400	7,400	7,770	7,770	7,770	7,770	7,770
Local Business Development	2,920	4,500	2,000	2,000	2,000	2,000	2,000
Welcome America	1,000	1,000	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
Horticultural Exposition . . . . .	. . . . .	250	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
Community Economic Recovery . . . . .	. . . . .	. . . . .	2,000	2,000	2,000	2,000	2,000
TOTAL GENERAL FUND	\$ 33,616	\$ 35,866	\$ 29,967	\$ 30,204	\$ 29,551	\$ 29,951	\$ 30,378
ECONOMIC REVITALIZATION FUND:							
Mon Valley Revitalization	\$ 1,000	\$ 1,000	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
Beaver Valley Revitalization	250	250	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
Shenango Valley Revitalization	250	250	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
Community Economic Recovery	1,470	1,000	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
Butler Revitalization	250	250	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
Lawrence Revitalization	250	250	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
Alle-Kiski Valley Revitalization	250	250	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
TOTAL ECONOMIC REVITALIZATION FUND	\$ 3,720	\$ 3,250	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .

Program: Business and Job Development (continued)

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Jobs created/retained:	35,503	38,187	33,000	33,000	33,000	33,000	33,000
Public/private funds leveraged (in thousands):	\$784,577	\$1,100,000	\$740,000	\$740,000	\$740,000	\$740,000	\$740,000
Businesses assisted	267	300	400	400	400	400	400
Projects/Communities assisted in distressed areas	324	355	455	455	455	455	455

Jobs created/retained and public/private funds leveraged increased over last year's budget projections for 1993-94 and 1994-95 due to a higher number of approved Sunny Day Fund projects, which are not projected to be repeated in the budget and future years.

Businesses assisted are lower than projected because PEDFA's return to tax-exempt bond financing did not produce the initial increase in activity expected; it is expected to continue to increase through the budget year.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	GENERAL FUND:				Employe Ownership-Technical Assistance
	Customized Job Training		\$ 250		—program transferred from PERF to the General Fund.
\$ 2,245	—PRR — Focusing Economic Development Efforts. To assist in-state and high growth industries meet their manpower needs. See the Program Revision following the Technology Development program for more information.			\$ -2,150	Minority Business Development Authority
					—PRR — Focusing Economic Development Efforts. Funding necessary to meet the capital and technical needs of minority entrepreneurs and businesses. See the Program Revision following the Technology Development program for more information.
	Infrastructure Development				Economic Development Financing Authority
\$ 12,500	—PRR — Focusing Economic Development Efforts. Transfer of Business Infrastructure Development (\$12.5 million) and Industrial Communities Site Development and Action (\$13 million) from the Economic Revitalization Fund (PERF) to General Fund and merged with existing Site Development program into a single program to simplify the options of companies seeking financing assistance. See the Program Revision following the Technology Development program for more information.		\$ -250		—these functions are being transferred to General Government Operations.
13,000				\$ -104	Defense Conversion
					—nonrecurring projects.
\$ 25,500	<i>Appropriation Increase</i>		\$ -10,000		Transfer to Sunny Day Fund
					—PRR — Focusing Economic Development Efforts. To meet anticipated new projects in this core financing program. See the Program Revision following the Technology Development program for more information.
\$ 15,000	Housing and Redevelopment — Economic Development Setaside				Music Theatre Festival
	—PRR — Focusing Economic Development Efforts. Transfer of core financing program from PERF to the General Fund. See the Program Revision following the Technology Development program for more information.		\$ -100		—nonrecurring project.
\$ 7,000	Transfer to Capital Loan Fund		\$ -1,000		Community Facilities
1,000	—PRR — Focusing Economic Development Efforts. Merging of Machinery and Equipment Loan Fund into Capital Loan Fund (PCLF), merging of various related PCLF programs into one PCLF-Industries program to simplify the options of companies seeking PCLF financial assistance, and transfer of PERF appropriations supporting both funds (\$7 million Machinery and Equipment Loan Fund and \$1 million PENNAG-Transfer to PCLF) to a single merged General Fund appropriation. See the Program Revision following the Technology Development program for more information.		\$ -42,500		—this budget recommends elimination of this program since it duplicates PENNVEST.
\$ 8,000	<i>Appropriation Increase</i>				Transfer to Economic Revitalization Fund
					—this budget recommends elimination of the Economic Revitalization Fund and proposes future program funding from the General Fund.

Program: Business and Job Development (continued)

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

PENNPORTS	
\$ -60	—nonrecurring projects.
-1,000	—reduction in Port of Philadelphia operating grant made possible by impending merger with Port of Camden.
159	—increase in Port of Philadelphia debt service.
-280	—transfer of PENNPORTS operating costs to General Government Operations.
400	—for Pittsburgh Port Commission.
-11	—to continue current program.
\$ -792	Appropriation Decrease

Hardwoods Research and Promotion is recommended at the current year level.

<table border="0"> <tr> <td colspan="2">ECONOMIC REVITALIZATION FUND:</td> </tr> <tr> <td>\$ -250</td> <td>Employe Ownership-Technical Assistance —this budget recommends elimination of the Economic Revitalization Fund and proposes future program funding from the General Fund.</td> </tr> <tr> <td>\$ -7,000</td> <td>Machinery and Equipment Loan Fund —this budget recommends elimination of the Economic Revitalization Fund and proposes future program funding from the General Fund.</td> </tr> <tr> <td>\$ -21,500</td> <td>Housing and Redevelopment —this budget recommends elimination of the Economic Revitalization Fund and proposes future program funding from the General Fund.</td> </tr> </table>	ECONOMIC REVITALIZATION FUND:		\$ -250	Employe Ownership-Technical Assistance —this budget recommends elimination of the Economic Revitalization Fund and proposes future program funding from the General Fund.	\$ -7,000	Machinery and Equipment Loan Fund —this budget recommends elimination of the Economic Revitalization Fund and proposes future program funding from the General Fund.	\$ -21,500	Housing and Redevelopment —this budget recommends elimination of the Economic Revitalization Fund and proposes future program funding from the General Fund.	<table border="0"> <tr> <td>\$ -13,000</td> <td>Industrial Communities Site Development and Action —this budget recommends elimination of the Economic Revitalization Fund and proposes future program funding from the General Fund.</td> </tr> <tr> <td>\$ -1,000</td> <td>PENNAG-Transfer to Pennsylvania Capital Loan Fund —this budget recommends elimination of the Economic Revitalization Fund and proposes future program funding from the General Fund.</td> </tr> <tr> <td>\$ 12,500</td> <td>Business Infrastructure Development —this budget recommends elimination of the Economic Revitalization Fund and proposes future program funding from the General Fund.</td> </tr> </table>	\$ -13,000	Industrial Communities Site Development and Action —this budget recommends elimination of the Economic Revitalization Fund and proposes future program funding from the General Fund.	\$ -1,000	PENNAG-Transfer to Pennsylvania Capital Loan Fund —this budget recommends elimination of the Economic Revitalization Fund and proposes future program funding from the General Fund.	\$ 12,500	Business Infrastructure Development —this budget recommends elimination of the Economic Revitalization Fund and proposes future program funding from the General Fund.
ECONOMIC REVITALIZATION FUND:															
\$ -250	Employe Ownership-Technical Assistance —this budget recommends elimination of the Economic Revitalization Fund and proposes future program funding from the General Fund.														
\$ -7,000	Machinery and Equipment Loan Fund —this budget recommends elimination of the Economic Revitalization Fund and proposes future program funding from the General Fund.														
\$ -21,500	Housing and Redevelopment —this budget recommends elimination of the Economic Revitalization Fund and proposes future program funding from the General Fund.														
\$ -13,000	Industrial Communities Site Development and Action —this budget recommends elimination of the Economic Revitalization Fund and proposes future program funding from the General Fund.														
\$ -1,000	PENNAG-Transfer to Pennsylvania Capital Loan Fund —this budget recommends elimination of the Economic Revitalization Fund and proposes future program funding from the General Fund.														
\$ 12,500	Business Infrastructure Development —this budget recommends elimination of the Economic Revitalization Fund and proposes future program funding from the General Fund.														

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Customized Job Training	\$ 7,755	\$ 7,755	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Infrastructure Development	784	700	26,200	26,200	26,200	26,200	26,200
Housing and Redevelopment —							
Economic Development Setaside			15,000	15,000	15,000	15,000	15,000
Transfer to Capital Loan Fund			8,000	8,000	8,000	8,000	8,000
Hardwoods Research and Promotion		400	400	400	400	400	400
Employe Ownership-Technical Assistance			250	250	250	250	250
Community Facilities	1,463	1,000					
Transfer to Economic Revitalization Fund	65,500	42,500					
PENNPORTS	13,480	11,193	10,401	10,401	10,401	10,401	10,401
Transfer to Minority Business							
Development Fund	1,200	7,150	5,000	5,000	5,000	5,000	5,008
Music Theatre Festival	100	100					
Economic Development Financing							
Authority	240	250					
Defense Conversion		157	53	53	53	53	53
Micro-Loan Program	100						
Transfer to Sunny Day Fund		25,000	15,000	15,000	15,000	15,000	15,000
TOTAL GENERAL FUND	\$ 90,622	\$ 96,205	\$ 90,304	\$ 90,304	\$ 90,304	\$ 90,304	\$ 90,312

Program: Business and Job Development (continued)

Appropriations within this Program: (continued)

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
ECONOMIC REVITALIZATION FUND:							
Employe Ownership-Technical Assistance	\$ 216	\$ 250	.....	.....	.....	.....	.....
Machinery and Equipment Loan Fund ...	7,800	7,000	.....	.....	.....	.....	.....
Industrial Communities Site Development and Action	13,426	13,000	.....	.....	.....	.....	.....
PENNAG-Transfer to Pennsylvania Capital Loan Fund	980	1,000	.....	.....	.....	.....	.....
Housing and Redevelopment-Economic Development Setaside	21,500	21,500	.....	.....	.....	.....	.....
Business Infrastructure Development	14,500	12,500	.....	.....	.....	.....	.....
TOTAL ECONOMIC REVITALIZATION FUND	\$ 58,422	\$ 55,250	.....	.....	.....	.....	.....

PROGRAM OBJECTIVE: To promote the use of advanced technology in order to help Pennsylvania industries compete successfully in the national and international market places; to encourage research and development of new products and processes that will foster the start-up of new business within the Commonwealth; and to fund research centers that will provide an incentive for indigenous business formation, as well as serving to attract investment in Pennsylvania.

Program: Technology Development

Recognizing the instrumental role that technology development can play in Pennsylvania's effort to remain competitive, the Commonwealth has established a number of transfer programs geared to provide the necessary resources to stimulate greater utilization of advanced technology.

The Ben Franklin/Industrial Resource Centers Partnership (BF/IRCP) program is the Commonwealth's major technology development program. The program promotes advanced technology in an effort to make traditional industries more competitive in the marketplace and to assist new small businesses on the leading edge of technological innovation. The program supports a wide range of initiatives and programs to help create new advanced technology companies, to improve the competitive ability of existing firms and to develop a technologically skilled workforce for Pennsylvania.

The IRC portion is designed to improve the competitive ability of Pennsylvania's traditional and emerging manufacturing firms by helping them to understand and implement modern manufacturing techniques

and technologies. While Ben Franklin helps companies develop new technologies, the IRCs work with existing small and medium size manufacturers to quickly adopt existing technologies and techniques that do not require substantial research. The centers are operated as nonprofit corporations and given significant direction from a board comprised of a majority of private sector representatives. In 1993, legislation was enacted combining the previously separate Ben Franklin and IRC programs under a single board.

An ongoing effort in technology transfer is the Commonwealth's commitment to the Super Computing Center. These funds supplement a joint effort with the University of Pittsburgh, Carnegie Mellon University and Westinghouse Electric Corporation that first established and is now upgrading a National Super Computing Center in Pittsburgh which will eventually serve as a hub of a national communication network for related research facilities.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Jobs created/retained	1,213	1,250	1,502	1,502	1,502	1,502	1,502
Public/private funds leveraged (in thousands)	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000
Businesses assisted	940	960	1,198	1,198	1,198	1,198	1,198

Jobs/created/retained have been revised to show annual amounts rather than cumulative since 1989-90 as in recent budget documents.

Public/private funds leveraged and businesses assisted show increases compared to data in previous budgets because of revised data from the Industrial Resource Centers (IRCs) and increased Federal funding flows to both the IRCs and Ben Franklin.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND:		Super Computer Center	
	Transfer to Ben Franklin/Industrial Resource Centers Partnership Fund	\$ -200	—nonrecurring project
\$ 2,710	—PRR — Focusing Economic Development Efforts. To modernize businesses through the development and application of technology and advanced production techniques. See the Program Revision following the Technology Development program for more information.	500	—to increase Commonwealth support for this unique technological advancement.
		\$ 300	Appropriation Increase

All other appropriations are discontinued because they are nonrecurring projects.

Program: Technology Development (continued)

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Transfer to Ben Franklin/Industrial							
Resource Centers Partnership Fund ..	\$ 32,979	\$ 32,290	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
Engineering Research Center .....	.....	400	.....	.....	.....	.....	.....
Super Computer Center .....	.....	1,200	1,500	1,500	1,500	1,500	1,500
Center for Light Microscope Imaging .....	.....	400	.....	.....	.....	.....	.....
Biotech Research .....	.....	1,500	.....	.....	.....	.....	.....
Powdered Metallurgy Research .....	.....	200	.....	.....	.....	.....	.....
Southeast Science Center .....	.....	2,000	.....	.....	.....	.....	.....
TOTAL GENERAL FUND	\$ 32,979	\$ 37,990	\$ 36,500	\$ 36,500	\$ 36,500	\$ 36,500	\$ 36,500
 ECONOMIC REVITALIZATION FUND:							
Engineering School Equipment	\$ 1,000	.....	.....	.....	.....	.....	.....

Program: Focusing Economic Development Efforts (continued)

Improving Delivery of Services and Capital

Companies seeking assistance in Pennsylvania currently face a fragmented array of narrowly targeted programs. To improve the competitive position of these companies, the Commonwealth must adopt a more comprehensive, integrated approach to service delivery. The following program changes in this budget simplify the options facing companies seeking assistance:

- The Business Infrastructure Development, Industrial Communities Site Development and Action, and Site Development programs will be merged into one program to offer a single source of assistance to municipalities and other eligible entities planning to prepare sites for business use or to reclaim blighted land and buildings. This program will finance a wide range of activities to meet the needs of applicants taking positive steps to develop, improve and rehabilitate sites for immediate or eventual business use.

- Funding for the Machinery and Equipment Loan Fund (MELF) will be directed to the Pennsylvania Capital Loan Fund (PCLF). Most individualized funding components within PCLF will also be discontinued. These changes will eliminate the narrowly targeted funding options to create a single fund which will offer many types of loans to businesses, including loans for land, buildings, machinery and equipment, and working capital. In addition, PENNAG, a Department of Agriculture program organized as a component in PCLF, will be moved to the Department of Commerce.
- Small Business Development Centers, Local Development Districts and Industrial Development Assistance will be combined into a single program. The Department of Commerce will retain the flexibility to provide resources to the small business assistance programs offering the greatest potential to create jobs.

This Program Revision outlines current strategic goals that will enable Pennsylvania to pursue new economic growth opportunities. The efficiencies gained through this Program Revision and other program changes will result in reductions of more than \$20 million within the Department of Commerce.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Export Development							
Sales Generated (millions)							
Current	\$ 263	\$ 260	\$ 260	\$ 260	\$ 260	\$ 260	\$ 260
Program Revision .....	....	....	\$ 415	\$ 415	\$ 415	\$ 415	\$ 415
Jobs Created							
Current	5,038	5,000	5,000	5,000	5,000	5,000	5,000
Program Revision .....	....	....	7,964	7,964	7,964	7,964	7,964
Transfer to Ben Franklin Partnership/ Industrial Resource Centers Partnership Fund							
Jobs Created/Retained Annually							
Current	1,213	1,250	1,300	1,300	1,300	1,300	1,300
Program Revision .....	....	....	1,502	1,502	1,502	1,502	1,502
Businesses Assisted Annually							
Current	940	960	980	980	980	980	980
Program Revision .....	....	....	1,198	1,198	1,198	1,198	1,198
Customized Job Training							
Jobs Created							
Current	7,221	4,806	4,806	4,806	4,806	4,806	4,806
Program Revision .....	....	....	7,828	7,828	7,828	7,828	7,828
Jobs Retained							
Current	8,504	9,639	9,639	9,639	9,639	9,639	9,639
Program Revision .....	....	....	12,976	12,976	12,976	12,976	12,976

Program: Focusing Economic Development Efforts (continued)

Program Revision Recommendations: _____


This budget recommends the following changes: (Dollar amounts in Thousands)

	GENERAL FUND Department of Commerce General Government Operations		
\$ 1,000	—to expand export efforts in additional countries.	\$ -6,500	Housing and Redevelopment Assistance - Economic Development Setaside —savings generated through program focusing.
\$ -2,150	Transfer to Minority Business Development Fund —savings generated through program focusing.	\$ 2,710	Transfer to Ben Franklin/Industrial Resource Centers Partnership Fund —to consolidate efforts towards assisting entrepreneurs and businesses take advantage of technological improvements.
\$ -10,000	Transfer to Sunny Day Fund —savings generated through program focusing.	<u>\$ -12,695</u>	<i>Program Revision Total</i>
\$ 2,245	Customized Job Training —to assist businesses to upgrade the skills of new and existing workers.		

Recommended Program Revision Costs by Appropriation: _____

(Dollar amounts in Thousands)

	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimate
GENERAL FUND:							
General Government Operations	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Transfer to Minority Business Development Fund	-2,150	....	....	....	....
Transfer to Sunny Day Fund	-10,000	....	....	....	....
Customized Job Training	2,245	2,245	2,245	2,245	2,245
Housing and Redevelopment Assistance - Economic Development Setaside	-6,500	....	....	....	....
Transfer to Ben Franklin/Industrial Resource Centers Partnership Fund	2,710	2,710	2,710	2,710	2,710
Total General Fund.	<u>\$ -12,695</u>	<u>\$ 5,955</u>	<u>\$ 5,955</u>	<u>\$ 5,955</u>	<u>\$ 5,955</u>



Commonwealth of Pennsylvania

Department of Community Affairs

The Department of Community Affairs provides a system of services and programs permitting the development and redevelopment of Pennsylvania's communities to enhance the total environment of citizens. The department seeks to improve the capabilities of local governments to meet critical social and economic problems and to develop human resources so each citizen will have an equal opportunity to achieve the full measure of the State's economic prosperity. It carries out these activities through technical consultation and assistance and grants for housing, redevelopment, flood plain management, planning and employment training.

COMMUNITY AFFAIRS

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
General Government Operations	\$ 45,063 *	\$ 34,585 *	\$ 10,275
(F) DOE Weatherization — Administration .....	.....	.....	704
(F) SCDBG — Administration	1,067	1,134	1,110
(F) CSBG — Administration	652	851	903
(F) Operator Outreach	42	50	35
(F) Training Road and Street Maintenance	166	223	370
(F) Folk Arts	4	32	51
(F) Folklife Resource Survey	267	250	66
(F) LIHEABG — Administration	298	440	440
(F) DCSI — Regional Police Assistance	312	300	100
(F) County Training and Technical Assistance .....	.....	20	.....
(F) State Legalization Impact Grant	148	70	.....
(F) Immigration Reform and Control — Administration .....	.....	3,470	.....
(F) Refugees and Persons Seeking Asylum — Administration .....	.....	1,277	1,399
(F) HUD-Training/Assistance	117	150	55
(A) Manufactured Housing	462	542	633
(A) Training Courses Registration	232	450	450
(A) Heritage Affairs Donation	38	122	54
(A) Stockroom Reimbursement	11	18	18
(A) DGS: Surplus Property	250	250	.....
(A) Environmental Training Partnership	382	253	252
(A) DEP Operator Outreach	165	214	213
(A) DEP Recycling Training	67	156	160
(A) Records Management Training	5	5	5
(A) Reimbursement — Emergency Management Agency .....	.....	5	.....
Subtotal — General Government Operations	<u>\$ 49,748</u>	<u>\$ 44,867</u>	<u>\$ 17,293</u>
Governor's Advisory Commission on Latino Affairs	193	212	212
Subtotal — State Funds	<u>\$ 45,256</u>	<u>\$ 34,797</u>	<u>\$ 10,487</u>
Subtotal — Federal Funds	3,073	8,267	5,233
Subtotal — Augmentations	1,612	2,015	1,785
Total — General Government	<u>\$ 49,941</u>	<u>\$ 45,079</u>	<u>\$ 17,505</u>
GRANTS AND SUBSIDIES:			
Circuit Riders	\$ 211	\$ 211	\$ 211
Flood Plain Management	60	60	60
(F) FEMA — Technical Assistance	53	60	60
Total — Flood Plain Management	<u>\$ 113</u>	<u>\$ 120</u>	<u>\$ 120</u>
Community Conservation and Youth Employment	2,736	2,736	2,736
(F) Community Service Block Grant	15,893	16,422	16,700
(F) Single Point of Contact	1,689	1,746	1,746
(F) Refugees and Persons Seeking Asylum .....	.....	9,300	9,300
Total — Community Conservation and Youth Employment	<u>\$ 20,318</u>	<u>\$ 30,204</u>	<u>\$ 30,482</u>
Housing and Redevelopment Assistance	20,000	18,000	15,000
(F) Small Communities Block Grant	59,878	65,000	65,000
(F) DOE — Weatherization	12,357	13,910	13,962
(F) Centralia Recovery	3,247	2,000	2,000
(F) Emergency Shelter for the Homeless	1,411	2,500	2,500
(F) Permanent Housing for Disabled Homeless .....	.....	1,500	.....

* Excludes \$28,000 for discontinued interagency billing.

COMMUNITY AFFAIRS

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND (continued)			
GRANTS AND SUBSIDIES: (continued)			
(F) LIHEABG — Program	\$ 8,217	\$ 8,360	\$ 8,360
(F) HUD Demonstration Project .....	....	300	....
(F) Lead Based Paint Hazard Reduction .....	....	544	....
(F) LIHEAP—Emergency Funds	1,000	....	....
(A) Return of Unused Project Monies	3,236	4,000	4,000
Total —Housing and Redevelopment Assistance	\$ 109,346	\$ 116,114	\$ 110,822
Enterprise Development	8,250	6,996	6,996
(A) Return of Unused Project Monies	793	500	500
Total — Enterprise Development	\$ 9,043	\$ 7,496	\$ 7,496
Regional Councils	200	200	....
Planning Assistance	175	275	175
Distressed Communities Assistance	1,223	600	1,200
Neighborhood Housing Services	200	....	....
Local Government Loan	750	....	....
Rural Leadership Training	186	200	200
Subtotal — State Funds	\$ 33,991	\$ 29,278	\$ 26,578
Subtotal — Federal Funds	103,745	121,642	119,628
Subtotal — Augmentations	4,029	4,500	4,500
Total — Grants and Subsidies	\$ 141,765	\$ 155,420	\$ 150,706
STATE FUNDS	\$ 79,247	\$ 64,075	\$ 37,065
FEDERAL FUNDS	106,818	129,909	124,861
AUGMENTATIONS	5,641	6,515	6,285
GENERAL FUND TOTAL	\$ 191,706	\$ 200,499	\$ 168,211
OTHER FUNDS			
<i>GENERAL FUND:</i>			
ARC Revolving Loan Fund	\$ 1	\$ 230	\$ 650
<i>FINANCIALLY DISTRESSED MUNICIPALITIES</i>			
<i>REVOLVING AID FUND:</i>			
Distressed Community Assistance	\$ 2,933	\$ 3,246	\$ 3,000
<i>LOCAL GOVERNMENT CAPITAL PROJECT LOAN FUND:</i>			
Local Government Capital Project Loans	\$ 1,794	\$ 2,276	\$ 400
<i>HOME INVESTMENT FUND:</i>			
HOME Investment Partnership	\$ 789	\$ 7,500	\$ 10,000
OTHER FUNDS TOTAL	\$ 5,517	\$ 13,252	\$ 14,050
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 79,247	\$ 64,075	\$ 37,065
FEDERAL FUNDS	106,818	129,909	124,861
AUGMENTATIONS	5,641	6,515	6,285
OTHER FUNDS	5,517	13,252	14,050
TOTAL ALL FUNDS	\$ 197,223	\$ 213,751	\$ 182,261

COMMUNITY AFFAIRS

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
COMMUNITY DEVELOPMENT AND CONSERVATION							
General Funds.....	\$ 76,677	\$ 62,864	\$ 35,454	\$ 35,884	\$ 36,256	\$ 36,685	\$ 37,142
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	106,506	129,609	124,761	122,706	122,706	122,706	122,706
Other Funds.....	6,431	14,245	16,935	16,358	16,422	16,495	16,573
TOTAL.....	\$ 189,614	\$ 206,718	\$ 177,150	\$ 174,948	\$ 175,384	\$ 175,886	\$ 176,421
MUNICIPAL ADMINISTRATIVE SUPPORT							
General Funds.....	\$ 2,570	\$ 1,211	\$ 1,611	\$ 1,611	\$ 1,611	\$ 1,611	\$ 1,611
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	312	300	100	0	0	0	0
Other Funds.....	4,727	5,522	3,400	2,732	2,700	2,500	2,500
TOTAL.....	\$ 7,609	\$ 7,033	\$ 5,111	\$ 4,343	\$ 4,311	\$ 4,111	\$ 4,111
ALL PROGRAMS:							
GENERAL FUND.....	\$ 79,247	\$ 64,075	\$ 37,065	\$ 37,495	\$ 37,867	\$ 38,296	\$ 38,753
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	106,818	129,909	124,861	122,706	122,706	122,706	122,706
OTHER FUNDS.....	11,158	19,767	20,335	19,090	19,122	18,995	19,073
TOTAL.....	\$ 197,223	\$ 213,751	\$ 182,261	\$ 179,291	\$ 179,695	\$ 179,997	\$ 180,532

COMMUNITY AFFAIRS

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 and Conservation

The Department of Community Affairs' (DCA) role in improving Pennsylvania's communities involves a wide range of both State and Federally funded activities. Program activities are provided under three related elements.

Program Element: Housing and Redevelopment

Housing and Redevelopment provides grants to communities, redevelopment authorities and nonprofit organizations to improve blighted neighborhoods through redevelopment, and the provision of low and moderate income housing through rehabilitation. Within this program, Downtown Assistance and Preservation funds help revitalize central business districts in aging communities.

The weatherization component of the element provides funds to weatherize existing housing through furnace retrofits as well as the installation of insulation, storm doors and windows in homes of persons who meet income eligibility standards developed by the Federal Government. Weatherization is funded from Low-Income Home Energy Assistance Federal Block Grant (LIHEABG) and U.S. Department of Energy weatherization funds.

The National Affordable Housing Act of 1990 provided funding beginning in Federal Fiscal Year 1992 to expand the supply of affordable housing for low-income families. A variety of options is available to meet this objective: incentives to develop and support rental housing and home ownership through acquisition, construction or rehabilitation; funding to finance relocation of displaced persons; rental assistance; and rehabilitation of substandard housing. Act 172 of 1992 established a separate special fund entitled the HOME Investment Trust Fund, as required by the U.S. Department of Housing and Urban Development (HUD), to administer these funds.

An amendment to the National Affordable Housing Act, signed October 28, 1992, allows 10 percent of the funding to be used for administrative purposes (state and local).

Program Element: Community Development

The Federal Small Communities Block Grant (SCBG) provides assistance in expanding low and moderate income housing opportunities, enhancing economic development and job opportunities for low and moderate income individuals, correcting public facilities such as water and sewer systems, and improving public facilities that affect public health and safety.

Similarly, Enterprise Development provides grants for locally-planned innovative projects which can stimulate private investment and create jobs in State-designated enterprise zones. These efforts are also supported by use of Enterprise Zone Tax Credits through the Neighborhood Assistance Act.

Planning Assistance funds help communities develop strategies and plans for economic development, growth management and environmental protection. DCA also regulates and assists municipalities in meeting the requirements of the State Flood Plain Management Act.

Through the Neighborhood Assistance Act, tax credits are provided to encourage private sector involvement in developing solutions to problems that are prevalent in low-income communities. These tax credits are available to corporations that contribute funding of services to local organizations administering programs that provide community services education, job training, crime prevention and neighborhood revitalization for low-income residents of impoverished areas.

Program Element: Job Training and Human Services

The Community Conservation and Youth Employment Program provides General Fund monies to municipalities, community action agencies and nonprofit sponsors for the development of employment opportunities and for community conservation activities.

The Community Services Block Grant (CSBG) provides funds for community-based programs that offer health, nutrition, housing and employment related services to improve the standard of living of low-income persons.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Housing and Redevelopment:							
Rehabilitation of existing units with							
State funds	4,063	4,000	4,000	4,000	4,000	4,000	4,000
Homes weatherized	9,654	9,957	9,900	9,900	9,900	9,900	9,900
Community Development:							
Small Communities Block Grant:							
Jobs created and/or retained	100	300	300	300	300	300	300
Housing units rehabilitated	1,714	1,200	1,200	1,200	1,200	1,200	1,200

COMMUNITY AFFAIRS

Program: Community Development and Conservation (continued)

Program Measures (continued)

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Job Training and Human Services:							
Persons participating:							
Community conservation and youth employment	8,773	8,512	8,257	8,009	7,769	7,536	7,332
Community Service Block Grant	421,000	421,000	421,000	421,000	421,000	421,000	421,000
Employment related services and training projects	2,009	2,210	2,431	2,674	2,941	3,236	3,559
Job Placement Program:							
Persons placed	313	344	378	415	456	501	551

The decrease in the program measure for the number of homes weatherized compared to those projected in last year's budget is a result of changes in Federal regulations increasing the per unit cost.

The decrease compared to last year's budget in the program measure for Small Communities Block Grant (SCBG) jobs created and/or retained as well as the increase in the SCBG measure for housing units rehabilitated are both attributed to the change of priority of the entitlement communities from economic development to housing rehabilitation.

The decrease compared to projections in last year's budget in the number of persons participating in community service and youth employment program measure is attributed to the impact of the Progressive Readiness for Employment Program (PREP), which provides intensive individualized training and placement, but serves fewer persons.

The decrease in the number of persons participating in the Community Service Block Grant Program (CSBG) is attributed to a reassessment of the program with the local community action agencies providing increased services to those individuals desiring to leave public assistance, instead of outreach and referrals.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND:			
General Government Operations		Housing and Redevelopment Assistance	
\$ -24,932	—nonrecurring projects.	\$ -3,000	—nonrecurring projects.
622	—to continue current program.		
\$ -24,310	Appropriation Decrease	\$ -100	Planning Assistance
			—nonrecurring projects.

This budget reflects the transfer of the Heritage Parks program and the Bureau of Recreation portion of General Government Operations to the Department of Conservation and Natural Resources. All funding sources have been adjusted accordingly.

This budget reflects the transfer of the Pennsylvania Economic Revitalization Fund's Housing and Redevelopment-Economic Development Setaside to the Department of Commerce. All funding sources have been adjusted accordingly.

All other appropriations are recommended to continue at the current year levels.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
General Government Operations	\$ 45,063	\$ 34,585	\$ 10,275	\$ 10,696	\$ 11,060	\$ 11,480	\$ 11,928
Governor's Advisory Commission on Latino Affairs	193	212	212	221	229	238	247
Flood Plain Management	60	60	60	60	60	60	60
Planning Assistance	175	275	175	175	175	175	175
Community Conservation and Youth Employment	2,736	2,736	2,736	2,736	2,736	2,736	2,736
Housing and Redevelopment Assistance ..	20,000	18,000	15,000	15,000	15,000	15,000	15,000
Enterprise Development	8,250	6,996	6,996	6,996	6,996	6,996	6,996
Neighborhood Housing Services	200						
TOTAL GENERAL FUND	\$ 76,677	\$ 62,864	\$ 35,454	\$ 35,884	\$ 36,256	\$ 36,685	\$ 37,142

COMMUNITY AFFAIRS

PROGRAM OBJECTIVE: To improve local governments' ability to provide effective and economical municipal services.

Program: Municipal Administrative Support Capability

Efforts to improve provision of local government services are centered around a variety of activities within this program.

The department provides workshop training, consulting and peer-to-peer assistance to local government officials and staff in the areas of municipal finance, personnel, police, fire department, codes administration, public works, environmental protection, community development and general municipal management.

Distressed Community Emergency Aid provides assistance to identify and ameliorate fiscal distress of communities in the Commonwealth. These efforts include providing technical assistance, hiring community coordinators, obtaining other State agency resources, and providing loans or grants to address revenue shortfalls. In addition to the funds shown here, funding is also provided via the Financially Distressed Municipalities Revolving Aid Fund.

Community Affairs monitors nearly 500 municipalities, townships and boroughs providing intergovernmental services crossing jurisdictional boundaries. A variety of projects and services are involved such as joint police protection, regional airports and workers compensation pools, all of which minimize cost and enhance the quality of services delivered.

The Circuit Rider Program provides for sharing of municipal officials possessing the expertise needed to professionally manage distressed and rural areas.

The Local Government Capital Projects Loan Program assists municipal governments in acquiring equipment and facilities by providing low interest loans to these governments which find conventional loan costs prohibitive. Act 59 of 1994 extends the program until June 30, 1997.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Distressed and at risk communities receiving assistance	36	34	34	34	34	34	34
Municipal officials/employees trained	24,163	24,500	25,000	25,000	25,000	25,000	25,000

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND:	
\$ 600	Distressed Communities Assistance —to continue current program.
\$ -200	Regional Councils —this budget recommends elimination of funding for Regional Councils.

All other appropriations are recommended at the current year level.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Regional Councils	\$ 200	\$ 200	.....	.....	.....	.....	.....
Distressed Communities Assistance	1,223	600	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200
Circuit Riders	211	211	211	211	211	211	211
Local Government Loan	750	.....	.....	.....	.....	.....	.....
Rural Leadership Training	186	200	200	200	200	200	200
TOTAL GENERAL FUND	\$ 2,570	\$ 1,211	\$ 1,611	\$ 1,611	\$ 1,611	\$ 1,611	\$ 1,611



Commonwealth of Pennsylvania

Department of Conservation and Natural Resources

Legislation will be proposed to create the Department of Conservation and Natural Resources during 1995-96. Programs of the proposed department previously existed in the Department of Environmental Resources and the Department of Community Affairs.

The Department of Conservation and Natural Resources would be responsible for managing the State's natural resources, including the protection and management of the State's parks and forests.

The department also would provide financial assistance to municipalities in acquiring and rehabilitating parks, open space and community center buildings.

CONSERVATION AND NATURAL RESOURCES

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 10,626 ^a	\$ 12,754 ^b	\$ 13,349
(F) Surface Mining Control and Reclamation	91	272	272
(F) Topographic and Geologic Survey Grants	35	275	275
(F) Bituminous Coal Resources	92	225	225
(F) Allegheny Wild and Scenic River	22	50	50
(F) Intermodal Surface Transportation Act .....	.....	3,250	3,500
(F) Winter Storm Reimbursement .....	.....	1,400	.....
(F) Land and Water Conservation Fund	737	750	780
(F) LWCF — Administration	24 ^c	25 ^c	25
(F) Defense Department Environmental Restoration .....	.....	300	300
(A) Payment for Department Services	19	50	50
(A) Water Well Drillers	41	60	60
(A) Wild Resources Conservation Board	133	.....	.....
(A) RIRA Reimbursement	160 ^c	..... ^c	.....
Subtotal — Federal Funds	\$ 1,001	\$ 6,547	\$ 5,427
Subtotal — Augmentations	353	110	110
Total — General Government Operations	\$ 11,980	\$ 19,411	\$ 18,886
State Parks Operations	41,076 ^d	41,141 ^e	47,025
(F) Heritage Preservation	855	1,100	1,100
(F) Pollution Prevention .....	.....	50	50
(F) Recreational Trails	118	1,000	500
(A) PCC Programs — Parks	754	1,200	1,200
(A) Reimbursement — Sewer System	65	65	65
(A) Reimbursement — Kings Gap Use	33	25	25
(A) State Parks User Fees	9,000	9,570	7,095
(A) Prior Year Revenue — Parks	277	300	300
(A) Donations	29	.....	.....
Subtotal — Federal Funds	\$ 973	\$ 2,150	\$ 1,650
Subtotal — Augmentations	10,158	11,160	8,685
Total — State Parks Operations	\$ 52,207	\$ 54,451	\$ 57,360
State Forests Operations	13,004 ^d	13,330 ^e	14,989
(F) Forest Fire Protection and Control	285	315	315
(F) Forestry Incentives and Agriculture Conservation	247	257	257
(F) Forest Management and Processing	209	1,018	1,018
(F) Cooperative Forest Insect and Disease Control	500	500	350
(F) Endangered Species Recovery	15	30	30
(F) Tree Planting	1,155	2,700	3,500
(A) Reimbursement — Services Rendered — Forests	191	200	200
(A) Sale of Forest Products	359	335	335
(A) Reimbursement — Forest Fires	92	80	80
(A) Sale of Vehicles — Forests	77	80	80
(A) Timber Sales	9,000	10,064	11,015
(A) PCC Programs — Forests	136	300	300
(A) Reimbursement — Gypsy Moth and Other Insect Control	683	683	683
Subtotal — Federal Funds	\$ 2,411	\$ 4,820	\$ 5,470
Subtotal — Augmentations	10,538	11,742	12,693
Total — State Forests Operations	\$ 25,953	\$ 29,892	\$ 33,152

^a Actually appropriated as \$6,207,000 from Parks and Forests Operations and \$3,802,000 from General Government Operations appropriations to the Department of Environmental Resources. Also includes \$617,000 for the Bureau of Recreation and Conservation which is being transferred from the Department of Community Affairs.

^b Actually appropriated as \$7,807,000 from Parks and Forests Operations and \$3,935,000 from General Government Operations appropriations to the Department of Environmental Resources. Also includes \$1,012,000 for the Bureau of Recreation and Conservation which is being transferred from the Department of Community Affairs.

^c Transferred from the Department of Community Affairs.

^d Actually appropriated as part of the \$60,287,000 Parks and Forests Operations appropriation to the Department of Environmental Resources.

^e Actually appropriated as part of the \$62,278,000 Parks and Forests Operations appropriation to the Department of Environmental Resources.

CONSERVATION AND NATURAL RESOURCES

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
<i>GENERAL GOVERNMENT: (continued)</i>			
Gypsy Moth and Other Insect Control	\$ 3,133	\$ 3,247	\$ 3,421
(F) Forest Insect and Disease Control	404	3,195	3,195
(A) Reimbursement from Counties	139	145	145
Total — Gypsy Moth and Other Insect Control	\$ 3,676	\$ 6,587	\$ 6,761
Subtotal — State Funds	\$ 67,839	\$ 70,472	\$ 78,784
Subtotal — Federal Funds	4,789	16,712	15,742
Subtotal — Augmentations	21,188	23,157	21,633
Total — General Government	\$ 93,816	\$ 110,341	\$ 116,159
GRANTS AND SUBSIDIES:			
Heritage Parks	\$ 2,075 ¹	\$ 2,000 ¹	\$ 2,000
Annual Fixed Charges — Flood Lands	31	34	42
Annual Fixed Charges — Project 70	14	18	18
Annual Fixed Charges — Forest Lands	1,207	1,225	1,225
Subtotal — State Funds	\$ 3,327	\$ 3,277	\$ 3,285
STATE FUNDS	\$ 71,166	\$ 73,749	\$ 82,069
FEDERAL FUNDS	4,789	16,712	15,742
AUGMENTATIONS	21,188	23,157	21,633
GENERAL FUND TOTAL	\$ 97,143	\$ 113,618	\$ 119,444
ECONOMIC REVITALIZATION FUND			
Recreation Improvement and Rehabilitation	\$ 3,500 ¹	.....¹	.....
OTHER FUNDS			
<i>GENERAL FUND:</i>			
Snowmobile Regulation	\$ 621	\$ 992	\$ 1,023
GENERAL FUND TOTAL	\$ 621	\$ 992	\$ 1,023
<i>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</i>			
Park and Forest Facility Rehabilitation .....	.....	\$ 2,770	\$ 23,381
Grants for Local Recreation .....	.....¹	6,000 ¹	12,962
Grants to Land Trusts .....	.....¹	.....¹	6,117
Grants to Zoos .....	.....¹	.....¹	5,105
KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL .....	.....	\$ 8,770	\$ 47,565
<i>MOTOR LICENSE FUND:</i>			
Forestry Bridges — Excise Tax (R)	\$ 1,221	\$ 7,224	\$ 4,587
<i>OIL AND GAS LEASE FUND:</i>			
General Operations	\$ 5,252	\$ 12,000	\$ 3,499

¹ Transferred from the Department of Community Affairs.

CONSERVATION AND NATURAL RESOURCES

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
<u>OTHER FUNDS</u>			
<i>GENERAL FUND: (continued)</i>			
<i>WILD RESOURCE CONSERVATION FUND:</i>			
General Operations (EA)	\$ 800	\$ 1,000	\$ 1,284
OTHER FUNDS TOTAL	<u>\$ 7,894</u>	<u>\$ 29,986</u>	<u>\$ 57,958</u>
 DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 71,166	\$ 73,749	\$ 82,069
FEDERAL FUNDS	4,789	16,712	15,742
AUGMENTATIONS	21,188	23,157	21,633
RESTRICTED REVENUES	1,221	7,224	4,587
SPECIAL FUNDS	3,500	.....	.....
OTHER FUNDS	6,673	22,762	53,371
TOTAL ALL FUNDS	<u>\$ 108,537</u>	<u>\$ 143,604</u>	<u>\$ 177,402</u>

CONSERVATION AND NATURAL RESOURCES

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
PARKS AND FORESTS MANAGEMENT							
General Funds.....	\$ 71,166	\$ 73,749	\$ 82,069	\$ 85,727	\$ 88,529	\$ 91,768	\$ 95,219
Special Funds.....	3,500	0	0	0	0	0	0
Federal Funds.....	4,789	16,712	15,742	15,742	15,742	15,742	15,742
Other Funds.....	29,082	53,143	79,591	74,256	74,280	74,309	74,340
TOTAL.....	\$ 108,537	\$ 143,604	\$ 177,402	\$ 175,725	\$ 178,551	\$ 181,819	\$ 185,301
ALL PROGRAMS:							
GENERAL FUND.....	\$ 71,166	\$ 73,749	\$ 82,069	\$ 85,727	\$ 88,529	\$ 91,768	\$ 95,219
SPECIAL FUNDS.....	3,500	0	0	0	0	0	0
FEDERAL FUNDS.....	4,789	16,712	15,742	15,742	15,742	15,742	15,742
OTHER FUNDS.....	29,082	53,143	79,591	74,256	74,280	74,309	74,340
TOTAL.....	\$ 108,537	\$ 143,604	\$ 177,402	\$ 175,725	\$ 178,551	\$ 181,819	\$ 185,301

CONSERVATION AND NATURAL RESOURCES

PROGRAM OBJECTIVE: To protect and manage outdoor recreation facilities and open space areas, to provide, or assist in, effective management of forest lands, to reduce plant loss and damage caused by insects, disease and forest fires, and to provide data on geology, energy resources, groundwater and topography within the Commonwealth.

Program: Parks and Forests Management

Program Element: Management of Recreation Facilities and Areas

The system of State parks consists of 114 parks in 61 counties. Over 242,000 acres of land and 33,000 acres of water are within these parks. They attract more than 37 million visitors each year and provide picnicking, swimming, hiking, bicycling, horseback riding, cross-country skiing, camping, boating, fishing and hunting opportunities for citizens and guests of the Commonwealth. In addition to managing these facilities, this program element also maintains and restores the State parks and adds new facilities where needed. User fees and concession charges are used to support the maintenance and operation of the park system. The Keystone Recreation, Park and Conservation Fund provides bond and real-estate transfer tax revenues for rehabilitation, repairs and upgrade of facilities and land acquisition for State park and forest lands.

Program Element: Management of Forest Resources

This Program Element is responsible for the management of two million acres of State forest lands. These forest lands offer many social and recreational opportunities. Hiking, camping, hunting, fishing, cross-country skiing, canoeing and snowmobiling are examples of the diverse activities in State forests. Properly managed, forests yield economic benefits such as the promotion of tourism. In addition, there is the harvest of timber for wood products, the protection of groundwater for municipal and other uses, and the production and underground storage of natural gas. This program also provides management assistance to the more than 490,000 owners of private forest lands, and oversees fire, insect and disease control activities affecting Pennsylvania's forests.

The complex of insects damaging the forests of Pennsylvania includes not only gypsy moth, but five native defoliating insects as well. In 1994, these insects combined defoliated 1,835,786 acres. Since only a small portion of the defoliated acres was a result of gypsy moths, acres of suppression were less. It is expected that in 1995, and future years, as the amount of gypsy moth increases throughout the State, the number

of acres treated will again rise. The cyclic nature of insects is responsible for the fluctuations in acres defoliated and treated. It is very difficult to predict these levels due to the sudden outbreaks of one species of damaging insect or another.

The other major threat to the Commonwealth's forests is fire. Through aggressive prevention and extinction activities, the size of the average forest fire has been held to about five acres.

This program element also maintains the Pennsylvania Natural Diversity Inventory. This computerized data base contains location information for rare, unique and unusual features of the Commonwealth. It provides information for State and Federal regulatory agencies and for State, regional and local government planning.

Program Element: Topographic and Geologic Surveying

This program element gathers, analyzes, interprets and disseminates information about the surface and subsurface geology, mineral and fossil energy resources, groundwater, and digital and analog topography of all areas of the Commonwealth. These surveys are used, for example, to locate hazards such as sinkholes and areas prone to landslide, to catalog coal extraction, oil and gas drilling operations, and to provide data for activities where knowledge of the Commonwealth's topography and geology is needed.

Program Element: Recreational Facilities

The department administers Recreational Improvement and Rehabilitation Act (RIRA) grants and Federal Land and Water Conservation Fund monies to assist municipalities in acquiring and rehabilitating parks, open space and community center buildings.

The Heritage Parks Program is an economic strategy that enables the Commonwealth's communities to comprehensively plan, develop, manage and market significant natural, recreational and historic resources to attract tourism into a region. The resources are linked and focused on the industrial/transportation theme of Pennsylvania's heritage.

Program Measures

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Management of Recreation Facilities and Areas							
State park attendance in visitor days (in thousands)	44,266	45,625	45,625	45,625	45,625	45,625	45,625
Major maintenance or restoration projects completed	132	132	132	132	132	132	132

The program measure showing major maintenance or restoration projects completed decreased from last year's budget and reflects an emphasis on larger, but fewer, projects.

CONSERVATION AND NATURAL RESOURCES

Program: Parks and Forests Management (continued)

Program Measures: (continued)

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Management of Forest Resources							
Forest fires	653	1,000	1,000	1,000	1,000	1,000	1,000
Acres of private timber land affected by professional assistance	95,000	95,000	95,000	95,000	95,000	95,000	95,000
Acres receiving insect suppression	120,657	79,000	210,000	290,000	310,000	330,000	350,000

The program measure for number of forest fires reflects an unusually low number in 1993-94 due to extreme wet weather during the fire season.

The decrease in the program measure for the number of acres receiving insect suppression treatment reflects less acreage being infested by the gypsy moth; this increases in the future as the cycle of infestions reverses.

Recreational Facilities

Recreation grants	100	200	315	315	225	225	225
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Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>General Government Operations</p> <p>\$ 595 —to continue current programs including the recreation and conservation program being transferred from the Department of Community Affairs.</p> <p>State Parks Operations</p> <p>\$ 2,167 —to replace support from restricted receipt accounts.</p> <p>170 —Initiative — Nescopek State Park. To provide for the opening of Nescopek State Park.</p> <p><u>3,547</u> —to continue current programs.</p> <p>\$ 5,884 Appropriation Increase</p>	<p>State Forests Operations</p> <p>\$ 1,659 —to continue current program.</p> <p>Gypsy Moth and Other Insect Control</p> <p>\$ 174 —to continue current program.</p> <p>Annual Fixed Charges — Flood Lands</p> <p>\$ 8 —to continue current program.</p>
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Also recommended in this budget is \$700,000 in funding from the timber sales restricted receipts account to increase the timber harvest.

All other appropriations are recommended at current program levels.

Some augmentations from the User Fees Restricted Account may be used to augment capital projects in State Parks.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
General Government Operations	\$ 10,626	\$ 12,754	\$ 13,349	\$ 13,896	\$ 14,368	\$ 14,914	\$ 15,496
State Parks Operations	41,076	41,141	47,025	49,381	51,059	52,999	55,066
State Forests Operations	13,004	13,330	14,989	15,604	16,135	16,748	17,401
Gypsy Moth and Other Insect Control	3,133	3,247	3,421	3,561	3,682	3,822	3,971
Heritage Parks	2,075	2,000	2,000	2,000	2,000	2,000	2,000
Annual Fixed Charges — Forest Lands ..	1,207	1,225	1,225	1,225	1,225	1,225	1,225
Annual Fixed Charges — Flood Lands ...	31	34	42	42	42	42	42
Annual Fixed Charges — Project 70	14	18	18	18	18	18	18
TOTAL GENERAL FUND	\$ 71,166	\$ 73,749	\$ 82,069	\$ 85,727	\$ 88,529	\$ 91,768	\$ 95,219
ECONOMIC REVITALIZATION FUND:							
Recreational Improvements and Rehabilitation	\$ 3,500	.....	.....	.....	.....	.....	.....



Commonwealth of Pennsylvania

Department of Corrections

The department maintains a State system for the custody and rehabilitation of convicted criminals. Included within this system are residential programs and pre-release programs to provide inmates with supervision, counseling and treatment to enable them to satisfactorily adjust to society.

CORRECTIONS

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	1995-96 State Funds (In thousands)
Strengthening Crime Fighting Efforts		
	State Correctional Institutions	\$ 18,654
	Department Total	\$ 18,654

This Program Revision provides funds to operate SCI Houtzdale, expand community corrections capacity, and expand drug and alcohol treatment services in State correctional institutions and improve victim notification. In addition to State funds, \$431,000 in Federal funds will support this Program Revision.

CORRECTIONS

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
<u>GENERAL FUND</u>			
INSTITUTIONAL:			
State Correctional Institutions	\$595,379 *	\$721,558 *	\$819,765
(F) SABG — Alcohol and Drug Services	2,031	2,150	2,100
(F) DCSI — Correctional Institutions	348	525	....
(F) DCSI — Women and Children	6	445	350
(F) DCSI — County Data Automation	28	82	50
(F) DCSI — Tracking System .....	....	282	283
(F) DCSI — Victim Notification .....	....	....	75
(F) DCSI — Sexual Offender .....	....	....	150
(F) DCSI — Drug and Alcohol Units .....	....	....	18
(F) DCSI — Drug and Alcohol Evaluations .....	....	....	38
(F) DCSI — Therapeutic Community .....	....	....	300
(F) Federal Inmates	25	140	60
(F) Mariel — Cuban Inmates	103	105	....
(F) Library Services .....	....	25	25
(F) SABG — Rehabilitation	110	....	....
(F) Effective Communications .....	....	10	....
(F) Winter Storm Disaster Aid .....	....	500	....
(A) Institutional Reimbursements	777	410	25
(A) Community Service Centers	411	375	500
STATE FUNDS	\$ 595,379	\$ 721,558	\$ 819,765
FEDERAL FUNDS	2,651	4,264	3,449
AUGMENTATIONS	1,188	785	525
GENERAL FUND TOTAL	\$ 599,218	\$ 726,607	\$ 823,739
<u>OTHER FUNDS</u>			
MANUFACTURING FUND:			
General Operations	\$ 29,067	\$ 30,670	\$ 32,897
LOCAL CRIMINAL JUSTICE FUND:			
Local Criminal Justice Grants	\$ 93,254	\$ 52,000	\$ 15,000
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 595,379	\$ 721,558	\$ 819,765
FEDERAL FUNDS	2,651	4,264	3,449
AUGMENTATIONS	1,188	785	525
OTHER FUNDS	122,321	82,670	47,897
TOTAL ALL FUNDS	\$ 721,539	\$ 809,277	\$ 871,636

* Excludes \$19,000 for discontinued interagency billing.

CORRECTIONS

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
INSTITUTIONALIZATION OF OFFENDERS							
General Funds.....	\$ 595,379	\$ 721,558	\$ 819,765	\$ 912,202	\$ 997,101	\$ 1,076,660	\$ 1,162,481
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	2,651	4,264	3,449	3,055	2,937	2,868	2,868
Other Funds.....	123,509	83,455	48,422	44,793	45,976	37,343	38,799
TOTAL.....	\$ 721,539	\$ 809,277	\$ 871,636	\$ 960,050	\$ 1,046,014	\$ 1,116,871	\$ 1,204,148
ALL PROGRAMS:							
GENERAL FUND.....	\$ 595,379	\$ 721,558	\$ 819,765	\$ 912,202	\$ 997,101	\$ 1,076,660	\$ 1,162,481
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,651	4,264	3,449	3,055	2,937	2,868	2,868
OTHER FUNDS.....	123,509	83,455	48,422	44,793	45,976	37,343	38,799
TOTAL.....	\$ 721,539	\$ 809,277	\$ 871,636	\$ 960,050	\$ 1,046,014	\$ 1,116,871	\$ 1,204,148

PROGRAM OBJECTIVE: To decrease the recurrence of crime by replacing criminal behavior with socially acceptable behavior.

Program: Institutionalization of Offenders

The State administered system for the institutionalization of offenders includes 21 correctional institutions, 15 community corrections centers and a motivational boot camp. During 1994, the following increases in institutional capacity occurred: 1) the continued opening of four new prisons which will eventually have a capacity in excess of 4,000 inmates. These new prisons are located at Albion in Erie County, Coal Township in Northumberland County, Somerset in Somerset County and Mahanoy in Schuylkill County, 2) the opening of a new maximum security institution in Greene County that will eventually have a capacity in excess of 1,000 inmates, 3) continued opening of the Cambridge Springs institution for women, and 4) the opening of a renovated housing unit at Quehanna for 44 inmates. There were 28,302 inmates housed in the State system at the end of December, 1994 with a cell capacity of 20,703 (this cell capacity includes only those areas of the new institutions which were opened by December 31, 1994).

During the second half of 1994-95, the Department of Corrections will continue to phase-in the five new institutions and Cambridge Springs.

The State's prison expansion program is continuing in 1995-96 with the opening of the remaining cell blocks in the five new institutions, the expansion of the Quehanna Boot Camp and the opening of a new prison at Houtzdale in Clearfield County that will eventually have a capacity in excess of 1,000 inmates.

In addition to providing the basic necessities of life, programs are available which enable inmates to leave prison better prepared to adjust

to life in the community. These include educational services, vocational training, drug and alcohol therapy and counseling.

Educational programs provided by the Department of Education offer inmates the opportunity to obtain high school diplomas or adult basic educational skills. Postsecondary education, in cooperation with nearby colleges, enables students to earn associate's or bachelor's degrees.

Vocational training is dedicated to the development of marketable job skills so that inmates are more employable upon their release. A variety of programs are offered which may lead to employment as plumbers, electricians, auto mechanics, sheet metalworkers, barbers or cosmeticians.

Counseling services are designed to modify social behavior to a more acceptable level. Mental health and sex offender units have been opened at many institutions. Alcohol and drug rehabilitation is also available.

Community correction centers permit highly screened inmates, who meet established criteria, to live in halfway houses in the community. Here they receive 24 hour supervision and can utilize counseling services while working or attending school. In 1991, the Department of Corrections began establishing community centers for technical parole violators. These centers provide an option short of reincarceration for addressing minor parole violations. These centers are expected to have a bed capacity of 250.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Inmates (December)	26,060	28,302	30,020	30,216	30,908	31,141	31,418
Prison Capacity (December)	18,436	20,703	23,074	24,264	24,812	24,812	24,812
Inmates in excess of capacity	8,170	7,599	6,946	5,952	6,096	6,329	6,606
Inmates receiving high school diplomas (GED)	914	1,200	1,285	1,500	1,500	1,500	1,500
Inmates receiving vocational training	5,800	6,200	6,600	7,000	7,200	7,200	7,200
Inmates receiving other education training	7,200	8,500	7,300	7,800	7,800	7,800	7,800
Inmates receiving drug and alcohol treatment	7,500	8,500	9,300	9,500	9,500	9,500	9,500

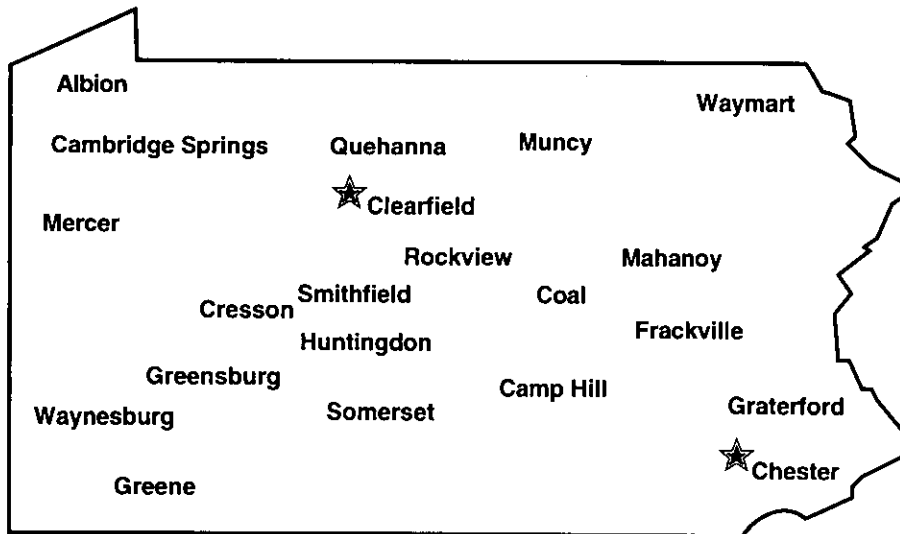
The program measure for number of inmates is higher than estimated in last year's budget. Current estimates are based on data released February 3, 1995 by the Correctional Population Projection Committee.

Program measures for inmates receiving diplomas, training and treatment are higher than estimated in last year's budget and are generally reflective of an inmate population which is higher than previously estimated.

Program: Institutionalization of Offenders (continued)

Population and Capacity		Population	Estimated	Capacity	Estimated
Institutions	Dec. 1994	Population	Population	Dec. 1994	Capacity
		Dec. 1994	Dec. 1995		Dec. 1995
Albion	834	1,505	556	1,012	
Cambridge Springs	402	448	329	450	
Camp Hill	3,084	2,676	2,001	2,001	
Coal Township	1,062	1,505	684	1,012	
Cresson	1,208	1,090	795	795	
Dallas	1,923	1,780	1,497	1,497	
Frackville	1,027	970	668	668	
Graterford	3,503	3,305	2,832	2,832	
Greene	768	1,280	480	1,024	
Greensburg	953	910	545	545	
Houtzdale		90		148	
Huntingdon	2,003	1,830	1,595	1,595	
Mahanoy	886	1,505	684	1,012	
Mercer	898	850	712	712	
Muncy	852	880	656	656	
Pittsburgh	1,596	1,625	1,620	1,620	
Quehanna Motivation Camp	80	170	88	170	
Retreat	837	810	480	480	
Rockview	2,154	2,025	1,310	1,310	
Smithfield	1,141	1,040	740	740	
Somerset	1,009	1,505	684	1,012	
Waymart	1,007	980	914	914	
Waynesburg	295	344	344	344	
Community Service Centers	456	510	489	525	
Group Homes	307	370			
Federal Prisons	17	17			
TOTAL	28,302	30,020	20,703	23,074	

Additional Correctional Cells



★ State Owned Cells Opening in 1995 and 1996

CORRECTIONS

Program: Institutionalization of Offenders (continued)

Expenditures by Institution: (Dollar Amounts in Thousands)

	1993-94 Actual	1994-95 Available	1995-96 Budget		1993-94 Actual	1994-95 Available	1995-96 Budget
Albion				Greensburg			
State Funds	\$ 17,429	\$ 32,857	\$ 40,952	State Funds	\$ 19,329	\$ 22,050	\$ 23,328
Federal Funds				Federal Funds	100	225	230
Augmentations				Augmentations			
TOTAL	\$ 17,429	\$ 32,857	\$ 40,952	TOTAL	\$ 19,429	\$ 22,275	\$ 23,558
Cambridge Springs				Houtzdale			
State Funds	\$ 8,373	\$ 12,165	\$ 13,866	State Funds		\$ 119	\$ 16,975
Federal Funds	8	300	300	Federal Funds			
Augmentations				Augmentations			
TOTAL	\$ 8,381	\$ 12,465	\$ 14,166	TOTAL		\$ 119	\$ 16,975
Camp Hill				Huntingdon			
State Funds	\$ 53,213	\$ 56,596	\$ 59,378	State Funds	\$ 34,333	\$ 37,169	\$ 38,882
Federal Funds	97	100	100	Federal Funds			
Augmentations	247	125	10	Augmentations	50	25	
TOTAL	\$ 53,557	\$ 56,821	\$ 59,488	TOTAL	\$ 34,383	\$ 37,194	\$ 38,882
Coal Township				Mahanoy			
State Funds	\$ 19,975	\$ 34,689	\$ 41,498	State Funds	\$ 19,417	\$ 30,647	\$ 41,196
Federal Funds				Federal Funds			
Augmentations				Augmentations			
TOTAL	\$ 19,975	\$ 34,689	\$ 41,498	TOTAL	\$ 19,417	\$ 30,647	\$ 41,196
Cresson				Mercer			
State Funds	\$ 24,123	\$ 25,666	\$ 27,432	State Funds	\$ 19,744	\$ 21,606	\$ 22,924
Federal Funds	90	100	100	Federal Funds	60	70	70
Augmentations				Augmentations			
TOTAL	\$ 24,213	\$ 25,766	\$ 27,532	TOTAL	\$ 19,804	\$ 21,676	\$ 22,994
Dallas				Muncy			
State Funds	\$ 36,229	\$ 39,445	\$ 41,853	State Funds	\$ 23,005	\$ 25,313	\$ 26,877
Federal Funds	90	100	400	Federal Funds	375	525	500
Augmentations	104	50		Augmentations	166	70	
TOTAL	\$ 36,423	\$ 39,595	\$ 42,253	TOTAL	\$ 23,546	\$ 25,908	\$ 27,377
Frackville				Pittsburgh			
State Funds	\$ 20,588	\$ 21,996	\$ 23,487	State Funds	\$ 50,602	\$ 51,431	\$ 53,943
Federal Funds	35	40	40	Federal Funds	45	177	200
Augmentations				Augmentations			
TOTAL	\$ 20,623	\$ 22,036	\$ 23,527	TOTAL	\$ 50,647	\$ 51,608	\$ 54,143
Graterford				Quehanna			
State Funds	\$ 70,083	\$ 76,469	\$ 78,727	State Funds	\$ 3,404	\$ 4,592	\$ 5,322
Federal Funds	155	195	315	Federal Funds	457	625	110
Augmentations	58	30		Augmentations			
TOTAL	\$ 70,296	\$ 76,694	\$ 79,042	TOTAL	\$ 3,861	\$ 5,217	\$ 5,432
Greene				Retreat			
State Funds	\$ 13,715	\$ 31,645	\$ 40,933	State Funds	\$ 17,100	\$ 19,215	\$ 20,965
Federal Funds				Federal Funds	65	233	75
Augmentations				Augmentations	60	30	
TOTAL	\$ 13,715	\$ 31,645	\$ 40,933	TOTAL	\$ 17,225	\$ 19,478	\$ 21,040

CORRECTIONS

Program: Institutionalization of Offenders (continued)

Expenditures by Institution: (Dollar Amounts in Thousands)

	1993-94 Actual	1994-95 Available	1995-96 Budget		1993-94 Actual	1994-95 Available	1995-96 Budget
Rockview				Waynesburg			
State Funds	\$ 36,531	\$ 40,139	\$ 42,849	State Funds	\$ 8,693	\$ 10,794	\$ 11,224
Federal Funds	100	110	110	Federal Funds	.....	25	25
Augmentations	90	45	15	Augmentations	.....	.....	.....
TOTAL	\$ 36,721	\$ 40,294	\$ 42,974	TOTAL	\$ 8,693	\$ 10,819	\$ 11,249
Smithfield				Community Correction Centers			
State Funds	\$ 21,669	\$ 23,951	\$ 25,279	State Funds	\$ 18,944	\$ 22,019	\$ 28,800
Federal Funds	.....	.....	.....	Federal Funds	100	125	150
Augmentations	.....	.....	.....	Augmentations	403	410	500
TOTAL	\$ 21,669	\$ 23,951	\$ 25,279	TOTAL	\$ 19,447	\$ 22,554	\$ 29,450
Somerset				Training Academy			
State Funds	\$ 18,556	\$ 33,687	\$ 41,589	State Funds	\$ 2,767	\$ 3,234	\$ 3,424
Federal Funds	.....	.....	.....	Federal Funds	.....	.....	.....
Augmentations	.....	.....	.....	Augmentations	.....	.....	.....
TOTAL	\$ 18,556	\$ 33,687	\$ 41,589	TOTAL	\$ 2,767	\$ 3,234	\$ 3,424
Waymart				Central Office			
State Funds	\$ 21,734	\$ 23,992	\$ 24,869	State Funds	\$ 15,823	\$ 20,072	\$ 23,093
Federal Funds	574	325	325	Federal Funds	300	989	399
Augmentations	.....	.....	.....	Augmentations	10	.....	.....
TOTAL	\$ 22,308	\$ 24,317	\$ 25,149	TOTAL	\$ 16,133	\$ 21,061	\$ 23,492

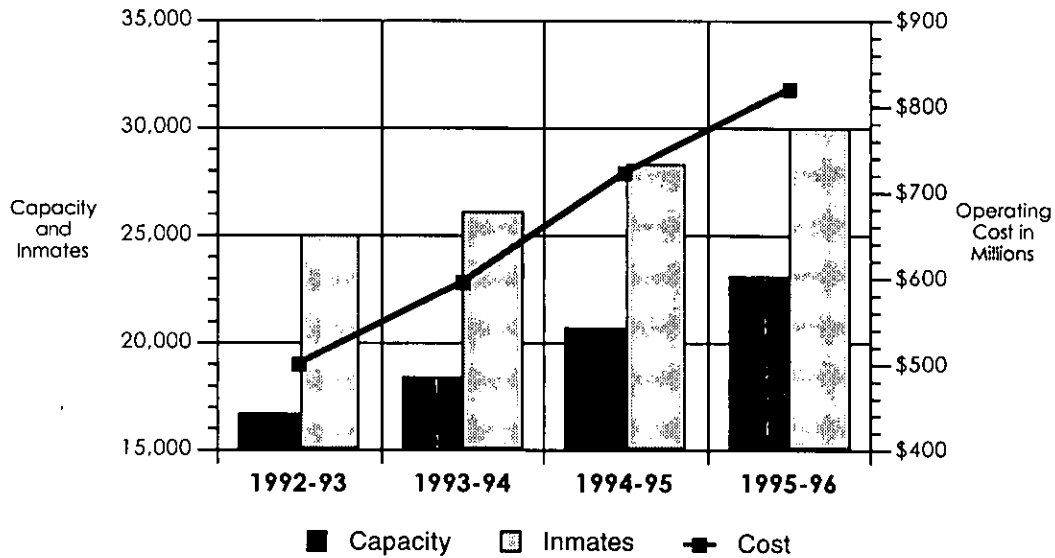
Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

State Correctional Institutions	50	—Initiative — Outpatient Treatment Services for Sexual Offenders. To increase counseling services for sexual offenders. In addition, \$150,000 in Federal funds will be available.
\$ 16,856 —PRR — Strengthening Crime Fighting Efforts. For staffing and operation of SCI — Houtzdale, a new State Correctional Institution — Clearfield County. See the Program Revision following this program for further information.	34,816	—for housing capacity increases to include the hiring of additional security personnel for the operation of additional cells at existing institutions.
1,654 —PRR — Strengthening Crime Fighting Efforts. To provide for the expansion of community corrections facilities in Philadelphia and Pittsburgh. See the Program Revision following this program for further information.	1,551	—for health care enhancements.
119 —PRR — Strengthening Crime Fighting Efforts. For additional drug and alcohol treatment for offenders. An estimated \$355,000 of Federal funds will also be available. See the Program Revision following this program for further information.	14,783	—to provide for additional inmate services, food, clothing, and other operational costs due to a larger inmate population.
25 —PRR — Strengthening Crime Fighting Efforts. To improve the victim notification program. Approximately \$75,000 in Federal funds will be available. See the Program Revision following this program for further information.	28,353	—to continue current program including funding as required to augment capital projects.
	<u>\$ 98,207</u>	<i>Appropriation Increase</i>

Program: Institutionalization of Offenders (continued)

State Correctional Institutions Cell Capacity, Inmate Population and Operating Costs



Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
State Correctional Institutions	<u>\$ 595,379</u>	<u>\$ 721,558</u>	<u>\$ 819,765</u>	<u>\$ 912,202</u>	<u>\$ 997,101</u>	<u>\$ 1,076,660</u>	<u>\$ 1,162,481</u>

Program Revision: Strengthening Crime Fighting Efforts

Pennsylvanians living in our cities, suburbs and rural areas have the right to be safe and secure in their homes and communities. The increase in violent crime over the past five years has overburdened the Commonwealth's corrections and law enforcement agencies and raised the need for new initiatives to insure public safety. In an effort to meet this challenge, this Program Revision provides funding for the following purposes: increased housing capacity for both adult and juvenile offenders in the State correctional system and youth development centers (YDCs), implementation of county intermediate punishment plans, increased drug and alcohol treatment services in State Correctional Institutions (SCI's), enhanced State Police capabilities and expanded services to crime victims.

Increase Institutional and Community Corrections Capacity

This Program Revision provides \$16.9 million to expedite the opening of SCI Houtzdale, the new medium security State correctional institution in Clearfield County. SCI Houtzdale will be opened in 1995-96 to accommodate a total of 1,578 offenders, and will help meet the housing demand for an offender population anticipated to exceed 30,000 in 1995-96. This initiative also includes \$222,000 for corrections education programs at SCI Houtzdale. In order to facilitate the appropriate release of offenders from state correctional institutions, \$64,000 is provided for institutional parole services at SCI Houtzdale and SCI Cambridge Springs. In addition to the opening of SCI Houtzdale, capital budget authorization is requested to construct a new 1,000 cell medium security State correctional institution.

This Program Revision also provides additional housing capacity for offenders who would be better served by a community corrections setting. A total of \$1.7 million is provided to lease and operate a new community

corrections facility in Philadelphia, as well as expand existing facilities in Philadelphia and Pittsburgh. This initiative will increase housing capacity by 117 for low risk offenders. Community Corrections facilities are designed to aid the offender's transition to community life and, for certain low risk offenders, are more cost-effective than a State correctional institution.

Increase Youth Development Center Capacity

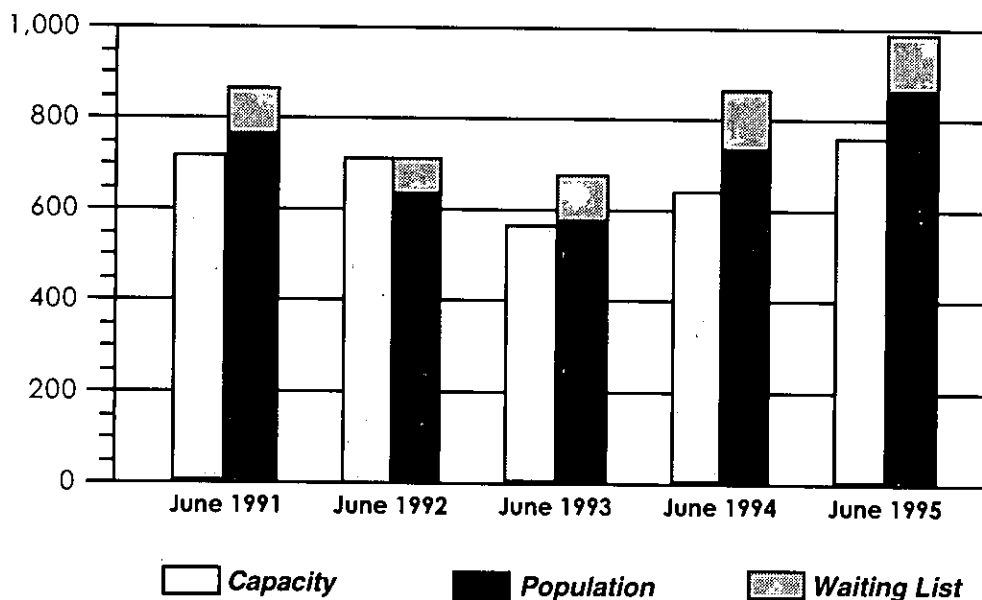
As the number of juveniles committed to the YDCs increases, and as the nature of their offenses becomes more serious, additional and separate capacity is needed. Approximately 20 percent of the juvenile offenders between 18 and 20 years of age have been involved with drugs, have committed violent offenses and generally are larger and physically stronger than other youths in the YDC system. In addition, many of these individuals are serving multi-year sentences. This Program Revision proposes a capital budget authorization to lease or construct two 50-bed secure facilities within the youth development system and one maximum security facility in the state correctional system for juveniles. In addition, this Program Revision provides \$875,000 in State funds and \$2.6 million in Federal Drug Control and System Improvement funds to operate juvenile secure units which may open in 1995-96.

County Intermediate Punishment Plans

This Program Revision provides \$5.3 million for the implementation of county intermediate punishment plans. With the passage of revised sentencing guidelines in August 1994, counties will be faced with increasing offender populations. In an effort to address overcrowding situations in county jails, intermediate punishment programs are needed. The responsibility for this program will be transferred from the Board of Probation and Parole to the Commission on Crime and Delinquency.

Youth Development Camps

Including Youth Forestry Camps



Program: Strengthening Crime Fighting Efforts (continued)

Drug and Alcohol Treatment for Offenders

National studies indicate that 80 percent of state prisoners have a drug or alcohol abuse problem. Moreover, many crimes are drug related. For this reason, drug treatment can be a very effective way to reduce criminal behavior. This Program Revision includes three initiatives which provide State funds and Federal Drug Control and System Improvement funds to address addiction problems of inmates referred to the State correctional system. The Commonwealth currently operates five therapeutic communities offering intensive drug and alcohol treatment to 271 offenders. These effective programs use a highly regimented daily schedule to reach recovery solutions. This Program Revision provides \$100,000 in State funds and \$300,000 in Drug Control and System Improvement funds to lease a facility for a sixth therapeutic community, at SCI Dallas, which would serve an additional 90 inmates.

The high rate of recidivism among substance abusing/dependent offenders needs to be evaluated as to the effectiveness of all current treatment programs. This Program Revision provides \$13,000 in State funds and \$38,000 in Drug Control and System Improvement funds to evaluate current drug and alcohol treatment programs provided in the State correctional system. In addition, this Program Revision provides \$6,000 in State funds and \$18,000 in Federal Drug Control and System Improvement funds for drug and alcohol educational materials that will be used in group counseling, individual psychotherapy, and self-help groups at the six new State correctional institutions.

Enhanced State Police Capabilities

This Program Revision provides \$365,000 in State funds and \$1.1 million in Federal Drug Control and System Improvement funds to upgrade the automated fingerprint identification system. Enhancing the system with "store and forward" technology will allow fingerprint images to be electronically shared between Federal, State and local law enforcement agencies to improve criminal offender identification. Since State Police troopers are most effective when they are on patrol protecting lives and property, this Program Revision also provides \$659,000 for civilian administrative resources to relieve State troopers for patrol duties.

Enhanced Victim Notification

The Pennsylvania Crime Victim's Bill of Rights provides victims of crime with the right to formally comment on the release decisions made by the Department of Corrections, and to be notified of specific inmate movements. This Program Revision provides \$25,000 in State funds and \$75,000 in Federal Drug Control and System Improvement funds to create a victim notification program to inform and educate victims of the comment process and their rights and responsibilities in that process, and to administer the required notification procedure.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Inmates housed at SCI Houtzdale							
Program Revision	1,578	1,578	1,578	1,578	1,578
Additional inmate beds in community corrections facilities							
Program Revision	117	117	117	117	117
Additional inmates receiving drug and alcohol services							
Program Revision	90	90	90	90	90
Additional patrol hours for State troopers							
Program Revision	90,400	90,400	90,400	90,400	90,400

CORRECTIONS

Program: Strengthening Crime Fighting Efforts (continued)

Program Revision Recommendations:

This budget recommends the following changes: (Dollar amounts in Thousands)


GENERAL FUND			
CORRECTIONS			
	State Correctional Institutions	\$ 365	Automated Fingerprint Identification System —to provide “store and forward” technology to the automated fingerprint identification system.
\$ 18,654	—to open SCI Houtzdale, expand community corrections capacity, enhance drug and alcohol treatment in State correctional institutions, and improve victim notification.		
EDUCATION			
	Correctional Institutions — Education	\$ 64	BOARD OF PROBATION AND PAROLE General Government Operations —to provide institutional parole support for SCI Houtzdale and Cambridge Springs.
\$ 222	—to provide educational services at SCI Houtzdale.		
PUBLIC WELFARE			
	Youth Development Institutions and Forestry Camps	\$ 448	MOTOR LICENSE FUND STATE POLICE General Government Operations —to provide additional support to free troopers for patrol duties.
\$ 875	—to operate secure youth development centers which may open in 1995-96.		
STATE POLICE		\$ 20,839	<i>Program Revision Total</i>
	General Government Operations		
\$ 211	—to provide additional support to free troopers for patrol duties.		

This Program Revision transfers the responsibility for county intermediate punishment plan funding (\$5.3 million) from the Board of Probation and Parole to the Commission on Crime and Delinquency. In addition, \$4.151 million in Federal Drug Control and System Improvement funds are included to enhance drug and alcohol treatment in State correctional institutions, improve victim notification, operate youth developmental centers, and provide “store and forward” technology to the automated fingerprint identification system.

Recommended Program Revision Costs by Appropriation:

(Dollar amounts in Thousands)

	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimate
GENERAL FUND:							
Corrections							
State Correctional Institutions	\$ 18,654	\$ 33,410	\$ 35,839	\$ 38,459	\$ 41,241
Education							
Correctional Institutions — Education	222	461	477	495	514
Public Welfare							
Youth Development Institutions and Forestry Camps	875	3,307	4,182	5,057	5,057
State Police							
General Government Operations	211	439	454	471	490
Automated Fingerprint Identification System	365	....	....	....	....
Board of Probation and Parole							
General Government Operations	64	133	138	143	149
GENERAL FUND TOTAL	\$ 20,391	\$ 37,750	\$ 41,090	\$ 44,625	\$ 47,451
MOTOR LICENSE FUND:							
State Police							
General Government Operations	\$ 448	\$ 933	\$ 964	\$ 1,001	\$ 1,040
MOTOR LICENSE FUND TOTAL	\$ 448	\$ 933	\$ 964	\$ 1,001	\$ 1,040



Commonwealth of Pennsylvania

Department of Education

The Department of Education promotes and encourages desirable educational change based upon research and development so that all Pennsylvanians may benefit from a quality educational program which gives the greatest promise of developing each individual to his fullest potential as a contributing member of society.

The department conducts programs to assist the local school districts in improving educational and administrative techniques, curricula and guidance services, and provides consultant and data collection services on higher education. The bulk of the department's budget consists of subsidies for basic and higher education.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	1995-96 State Funds (In thousands)
Improving Basic Education		
	Basic Education Funding	\$ 124,000
	Educational Opportunity Grants	38,500
	Improvement of Library Services	2,500
	Charter School Planning Grants	1,000
	Safe Schools	500
	Alternative Schools	1,000
	Subtotal	\$ 167,500

This Program Revision provides \$167.5 million to maintain Pennsylvania's commitment to the educational system and create new and innovative strategies to improve the system and enhance each child's access to a quality education. The components of the proposal include: funds to preserve the equity support of the Commonwealth's most needy school districts; funds for Educational Opportunity Grants for working class parents to select the type of school setting best suited for their children; funds for planning grants to those interested in developing strategies for charter public schools; funds to increase the reimbursement rates for special education services; funds for grants to school districts to develop strategies to address the increase of violence in schools and to support alternative programs for students who behave in a manner that is disruptive to the school environment. The proposal also provides a new funding methodology for early intervention services by distributing the funds to school districts, and also provides a new funding methodology for public libraries to increase local support of library systems. In addition, accountability and performance standards are being introduced into the Commonwealth's educational system.

Expanding Access to Higher Education

Community Colleges	\$	4,500
Tuition Challenge Grants		15,161
Subtotal	\$	19,661

This Program Revision will improve access to higher education by increasing the Community College reimbursement rate for credit courses to \$1,180 and by continuing reimbursement for noncredit courses. This proposal also provides additional funds for Tuition Challenge, which offers public universities approximately \$100 for each Pennsylvania resident full-time student if the institution's tuition increase does not exceed 4.5 percent. A total of \$55.452 million is provided by this Program Revision across two agencies.

EDUCATION

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	1995-96 State Funds (in thousands)
Strengthening Crime Fighting Efforts		
	Correctional Institutions Education	\$ 222
This Program Revision provides funds for corrections education services at the new State Correctional Institution at Houtzdale. Please see the Department of Corrections for further information on this Program Revision.		
	Department Total	<u><u>\$ 187,383</u></u>

EDUCATION

Summary by Fund and Appropriation

GENERAL FUND	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Budget
GENERAL GOVERNMENT:			
General Government Operations	\$ 24,347 *	\$ 26,451 *	\$ 20,847
(F) Adult Basic Education	862	1,300	1,400
(F) Education of Exceptional Children	3,981	4,321	5,000
(F) ECIA Chapter (I) Administration	2,794	4,846	5,200
(F) State Approving Agency (VA)	646	850	800
(F) Food and Nutrition Service	2,537	4,513	4,777
(F) Migrant Education — Administration	268	380	380
(F) Emergency Immigrant Education	5	2	4
(F) Civil Rights Technical Assistance	579	600	700
(F) Vocational Education	3,119	4,240	4,240
(F) Math and Science Teacher Training	611	1,107	1,162
(F) Byrd Scholarships	411	822	1,250
(F) Project Learning Tree	2	5	6
(F) Children with Severe Disabilities	31	99	99
(F) DFSC — Administration	1,039	972	1,368
(F) DFSC — Special Programs	4,445	4,164	4,164
(F) JTPA — Linkage	757	1,293	1,157
(F) ECIBG — Administration	485	1,165	591
(F) State and Community Highway Safety	518	725	805
(F) Homeless Assistance	1,037	1,322	1,210
(F) Homeless Assistance — Administration	27	65	65
(F) Medical Assistance — Nurses' Aide Program	156	190	187
(F) Preschool Grant	544	725	762
(F) Head Start Collaboration Project	93	115	115
(F) Migrant Even Start	186	146	107
(F) Innovation in Education .....	....	1,045	....
(F) National Workplace Literacy .....	....	500	500
(F) State Literacy Resource Centers	308	420	450
(F) School Health Education Programs	364	518	518
(F) Environmental Education Workshops .....	....	25	15
(F) Serve America	787	....	....
(F) School-to-Work Opportunities	405	8,500	8,500
(F) State Post-Secondary Review Entity	165	1,200	1,760
(F) Christa McAuliffe Fellowship Program	45	46	46
(F) Appalachian Regional Education Program	300	300	300
(F) Goals 2000 .....	....	4,000	16,000
(F) Motor Carrier Safety Assistance Training .....	....	75	....
(F) Breath Analysis Device Inspection and Inventory .....	....	75	100
(F) Learn and Serve America—School Based .....	....	1,500	1,200
(A) EDP Services	67	67	66
(A) Environmental Education	110	135	120
(A) PennSERVE	188	100	250
(A) Approved Private Schools	55	101	101
(A) National Center for Educational Statistics	35	28	28
(A) Model Day Care	250	200	200
(A) Day Care / Head Start	200	....	....
(A) Reimbursement from Department of Banking	110	123	123
(A) Early Intervention	987	987	1,039
(A) Teenage Parenting	45	200	430
(A) Family Literacy	5	....	....
(A) Nurses' Aide Training	221	182	186
(A) Youth Apprenticeship	11	....	....
(A) Department of Health — Children's Cabinet .....	....	500	....
(A) EPSDT — Administration .....	....	350	700
(A) Teacher of the Year .....	....	6	....
Subtotal — State Funds	\$ 24,347	\$ 26,451	\$ 20,847
Subtotal — Federal Funds	27,507	52,171	64,938
Subtotal — Augmentations	2,284	2,979	3,243
Total — General Government Operations	\$ 54,138	\$ 81,601	\$ 89,028

* Excludes \$77,000 for discontinued interagency billing.

EDUCATION

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
GENERAL GOVERNMENT: (continued)			
General Government Operations (continued)			
PA Assessment	\$ 3,096	\$ 4,250	\$ 4,250
State Library	2,859	3,311	3,777
(F) LSCA I	1,315	2,056	1,420
(F) Nuclear Regulatory Commission Document	8	12	12
(F) National Endowment for the Humanities .....	.....	82	.....
(A) Penalties and Reimbursements	14	16	16
(A) LEXIS	1	2	2
(A) Photocopy Service	22	23	23
Subtotal — State Funds	\$ 2,859	\$ 3,311	\$ 3,777
Subtotal — Federal Funds	1,323	2,150	1,432
Subtotal — Augmentations	37	41	41
Total — State Library	\$ 4,219	\$ 5,502	\$ 5,250
Subtotal — State Funds	\$ 30,302	\$ 34,012	\$ 28,874
Subtotal — Federal Funds	28,830	54,321	66,370
Subtotal — Augmentations	2,321	3,020	3,284
Total — General Government	\$ 61,453	\$ 91,353	\$ 98,528
INSTITUTIONAL:			
Youth Development Centers Education	\$ 6,877	\$ 8,047	\$ 8,541
(F) Correction Education/Juvenile Institutions	42	40	.....
(F) DCSI — Statewide Juvenile Records Center .....	.....	40	13
Total — Youth Development Centers Education	\$ 6,919	\$ 8,127	\$ 8,554
Correctional Institutions Education	\$ 9,817	\$ 12,439	\$ 12,911
(F) Correctional Education	1,199	1,666	1,767
(F) JTPA Corrections	250	370	370
(F) Correction Education Community Involvement	125	127	230
(A) Adult Literacy	222	340	350
Total — Correctional Institutions Education	\$ 11,613	\$ 14,942	\$ 15,628
Scranton State School for the Deaf	\$ 4,215	\$ 4,604	\$ 4,891
(F) ESEA — Education for the Disabled	56	85	85
(F) School Milk Lunch	25	30	30
(F) Life Long Learning	9	11	11
(F) Adult Basic Education .....	.....	10	10
(A) Cafeteria	53	75	70
(A) Tuition Recovery	718	730	723
Total — Scranton State School for the Deaf	\$ 5,076	\$ 5,545	\$ 5,820
Scotland School for Veterans' Children	\$ 6,614	\$ 6,765	\$ 6,800
(F) ESEA — Education for the Disadvantaged	382	300	300
(F) School Milk Lunch	275	275	300
(F) DFSC — Special Programs	6	15	3
(F) Goals 2000 — Scotland .....	.....	50	.....
(A) Cafeteria and School Maintenance Fees	50	80	89
(A) Tuition Recovery	1,659	1,755	1,790
Total — Scotland School for Veterans' Children	\$ 8,986	\$ 9,240	\$ 9,282

EDUCATION

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
GENERAL FUND	1993-94 Actual	1994-95 Available	1995-96 Budget
INSTITUTIONAL: (continued)			
Thaddeus Stevens State School of Technology	\$ 4,913	\$ 5,075	\$ 5,323
(F) Vocational Education .....	.....	75	100
(F) Planning Grant .....	.....	350	350
(A) Tuition and Fees	958	815	815
Total — Thaddeus Stevens State School	\$ 5,871	\$ 6,315	\$ 6,588
Subtotal — State Funds	\$ 32,436	\$ 36,930	\$ 38,466
Subtotal — Federal Funds	2,369	3,444	3,569
Subtotal — Augmentations	3,660	3,795	3,837
Total — Institutional	\$ 38,465	\$ 44,169	\$ 45,872
GRANTS AND SUBSIDIES:			
Support of Public Schools			
Basic Education Funding	\$ 3,090,303 ^a	\$ 3,213,503 ^c	\$ 3,337,503
(F) DFSC — School Districts	16,383	14,100	14,100
Educational Opportunity Grants .....	.....	.....	38,500
Distressed School District Assistance	1,000 ^b	5,451 ^d	4,089
Woodland Hills Desegregation	4,000	2,479	.....
For the Improvement of Teaching	1,447	1,448	1,448
(F) Math and Science Teacher Training	13,838	14,873	17,217
Adult Literacy	7,750	7,750	8,525
(F) Adult Basic Education — Local	15,522	14,905	13,657
Vocational Education	40,266	39,928	39,928
(F) Vocational Education Act — Local	59,924	55,600	53,547
Authority Rentals and Sinking Fund Requirements	183,963	172,000 ^e	175,000
Pupil Transportation	294,000	300,400 ^f	311,498
Nonpublic Pupil Transportation	28,941	29,760 ^g	29,291
Special Education	555,952	589,871	590,434
PA Charter Schools for the Deaf and Blind	18,823	19,875	19,875
Instructional Support Teams	10,500	11,052	11,052
Early Intervention	50,683	64,101 ^h	67,306
(F) Child Care Services Block Grant	5,249	5,937	6,779
(F) Education for Disabled Children	1,099	1,300	1,326
(A) Early Intervention	600	.....	.....
Homebound Instruction	544	690 ⁱ	574
Tuition for Orphans and Children Placed in Private Homes	26,500	33,772	33,075
Payments in Lieu of Taxes	486	180	180
Education of Migrant Laborers' Children	210	216	222
(A) Migrant Education	630	630	630
Education of the Disadvantaged	965	965	1,000
Special Education — Approved Private Schools	57,177	49,073	52,505
Private Residential Rehabilitative Institutions	500	500	500
Higher Education of Blind or Deaf Students	50	50	52
Intermediate Units	12,500	11,000	11,500
School Food Services	14,673	14,692 ^j	15,360
School Employees' Social Security	270,400	278,008	286,300
(A) School Employees' Social Security .....	.....	5,100	.....
School Employees' Retirement Payments	444,059	444,059	466,060

^a Includes \$2,961,303,000 appropriated for Equalized Subsidy for Basic Education and \$129,000,000 of the \$130,000,000 appropriated for Equity Supplement.

^b Actually appropriated as part of the \$130,000,000 for Equity Supplement.

^c Includes \$3,090,303,000 appropriated for Basic Education Funding and \$123,000,000 appropriated for Foundation Funding for Equity.

^d Includes recommended supplemental appropriation of \$451,000.

^e Includes recommended supplemental appropriation of \$8,037,000.

^f Includes recommended supplemental appropriation of \$5,293,000.

^g Includes recommended supplemental appropriation of \$943,000.

^h Includes recommended supplemental appropriation of \$8,398,000.

ⁱ Includes recommended supplemental appropriation of \$40,000.

^j Includes recommended supplemental appropriation of \$228,000.

EDUCATION

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
<i>GRANTS AND SUBSIDIES: (continued)</i>			
<i>Support of Public Schools (continued)</i>			
Education of Indigent Children	\$ 156	\$ 100	\$ 103
(F) ECIBG — School Districts	15,012	15,705	12,200
(F) ECIBG — Discretionary	3,093	2,891	1,618
(F) ECIA — Title I — Local	306,129	328,000	358,548
(F) Individuals with Disabilities Education — Local	84,338	98,663	87,739
(F) Food and Nutrition — Local	209,821	274,814	292,250
Subtotal — State Funds	\$ 5,115,848	\$ 5,290,923	\$ 5,501,880
Subtotal — Federal Funds	730,408	826,788	858,981
Subtotal — Augmentations	1,230	5,730	630
Total — Support of Public Schools	\$ 5,847,486	\$ 6,123,441	\$ 6,361,491
 <i>Other Grants and Subsidies:</i>			
JTPA — Matching Funds	\$ 6,811	\$ 5,672	\$ 5,528
(F) JTPA — Educational Training	5,535	6,372	5,537
Services to Nonpublic Schools	56,291	58,256	60,586
Textbooks and Supplies for Nonpublic Schools	17,230*	17,831	18,544
Teen Pregnancy and Parenthood	1,271	1,271	1,271
(F) Teenage Parenting	786	1,546	1,200
(F) Enhanced High School Driver Education	16	29	25
(F) Maternal and Child Health Services	1,716	1,625	1,625
Comprehensive Reading	299	300	300
Dropout Prevention	1,087	1,089	1,089
(F) DFSC — Special Program — Dropout Prevention	624	600	600
Improvement of Library Services	23,809	23,809	26,309
Library Services for Visually Impaired and Disabled	2,138	2,202	2,312
Library Access	3,000	3,000	3,150
School Library Catalog	400	400	420
Distance Learning	303	538	1,000
Medical Library and Museum .....	....	100	....
Ethnic Heritage	100	100	....
Governor's Schools for Excellence	1,008	1,042	1,429
Keystone State Games	200	200	200
School-to-Work Opportunities	487	500	500
Childrens' Literacy Program	400	....	....
Minority Higher Education Enrichment	500	....	....
Job Training Programs	3,000	....	....
Technical Institute — Pittsburgh School District .....	....	1,800	....
Community-Based Family Centers	836	4,041	4,041
(F) Family Preservation and Support Services .....	....	1,300	1,300
(F) MCHSBG Family Centers .....	....	160	....
(A) Community-Based Family Centers	681	....	....
Charter School Planning Grants .....	....	....	1,000
School-Based Community Services .....	....	....	100
Safe Schools .....	....	....	500
Alternative Schools .....	....	....	1,000
Subtotal — State Funds	\$ 119,170	\$ 122,151	\$ 129,279
Subtotal — Federal Funds	8,677	11,632	10,287
Subtotal — Augmentations	681	....	....
Total — Other Grants and Subsidies	\$ 128,528	\$ 133,783	\$ 139,566

* Actually appropriated as \$10,841,000 for Textbooks for Nonpublic Schools and \$6,389,000 for Student Supplies for Nonpublic Schools.

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
<i>GRANTS AND SUBSIDIES: (continued)</i>			
<i>Higher Education — Other Grants and Subsidies:</i>			
Community Colleges	\$ 144,493	\$ 147,649	\$ 152,149
Higher Education of the Disadvantaged	7,497	7,600	7,828
Rural Initiatives	164	350	350
Tuition Challenge Grants .....	....^a	....^b	15,161
Higher Education Equipment .....	....	2,000	....
Subtotal — Higher Education — Other Grants and Subsidies	\$ 152,154	\$ 157,599	\$ 175,488
State System of Higher Education	\$ 379,023 ^c	\$ 387,916 ^d	\$ 387,916
The Pennsylvania State University	259,210 ^e	269,146 ^f	269,146
University of Pittsburgh	139,282 ^g	144,036 ^h	144,036
Temple University	141,461 ⁱ	144,386 ^j	144,386
Lincoln University	10,040 ^k	10,185 ^l	10,185

^a Actually appropriated as \$31,758,000 which has been distributed based on enrollment as follows: State System of Higher Education State Universities appropriation \$14,109,000; the Pennsylvania State University Educational and General appropriation \$9,281,000 and the Pennsylvania College of Technology appropriation \$776,000; the University of Pittsburgh Educational and General appropriation \$4,197,000; the Temple University Educational and General appropriation \$3,261,000; and the Lincoln University Educational and General appropriation \$134,000.

^b Actually appropriated as \$31,758,000 which has been distributed based on enrollment as follows: State System of Higher Education State Universities appropriation \$14,234,000; the Pennsylvania State University Educational and General appropriation \$9,160,000 and the Pennsylvania College of Technology appropriation \$767,000; the University of Pittsburgh Educational and General appropriation \$4,195,000; the Temple University Educational and General appropriation \$3,266,000; and the Lincoln University Educational and General appropriation \$136,000.

^c Actually appropriated as \$357,976,000 for State Universities plus \$14,109,000 from the 1993-94 Tuition Challenge appropriation, \$312,000 for Recruitment of the Disadvantaged, \$100,000 for McKeeever Center, \$250,000 for Labor Studies, \$4,500,000 for Deferred Maintenance, \$200,000 for Teaching Academy, \$500,000 for Rural Education and Community Service, and \$1,076,000 for Affirmative Action.

^d Actually appropriated as \$372,085,000 for State Universities plus \$14,234,000 from the 1994-95 Tuition Challenge appropriation, \$321,000 for Recruitment of the Disadvantaged, \$200,000 for McKeeever Center, and \$1,076,000 for Affirmative Action.

^e Actually appropriated as \$189,319,000 for Educational and General plus \$9,281,000 from the 1993-94 Tuition Challenge appropriation, \$4,425,000 for Medical Education, \$4,659,000 for Children's Hospital, \$18,300,000 for Agricultural Research, \$19,787,000 for Agricultural Extension Services, \$312,000 for Recruitment of the Disadvantaged, \$1,568,000 for Psychiatric Education, \$9,186,000 for the Pennsylvania College of Technology—Operations plus \$776,000 from the 1993-94 Tuition Challenge appropriation, and \$1,597,000 for the Pennsylvania College of Technology Debt Service.

^f Actually appropriated as \$198,600,000 for Educational and General plus \$9,160,000 from the 1994-95 Tuition Challenge appropriation, \$4,425,000 for Medical Education, \$4,659,000 for Children's Hospital, \$18,300,000 for Agricultural Research, \$19,787,000 for Agricultural Extension Services, \$321,000 for Recruitment of the Disadvantaged, \$1,568,000 for Psychiatric Education, \$9,962,000 for the Pennsylvania College of Technology—Operations plus \$767,000 from the 1994-95 Tuition Challenge appropriation, and \$1,597,000 for the Pennsylvania College of Technology Debt Service.

^g Actually appropriated as \$119,314,000 for Educational and General plus \$4,197,000 from the 1993-94 Tuition Challenge appropriation, \$6,239,000 for Medical Programs, \$1,030,000 for Dental Clinics, \$312,000 for Recruitment of the Disadvantaged, \$7,693,000 for Western Psychiatric Institute, and \$497,000 for Western Teen Suicide Center.

^h Actually appropriated as \$123,511,000 for Educational and General plus \$4,195,000 from the 1994-95 Tuition Challenge appropriation, \$6,239,000 for Medical Programs, \$1,030,000 for Dental Clinics, \$321,000 for Recruitment of the Disadvantaged, \$7,693,000 for Western Psychiatric Institute, \$497,000 for Western Teen Suicide Center, \$250,000 for Graduate School of Public Health and \$300,000 for Rural Education Outreach.

ⁱ Actually appropriated as \$128,428,000 for Educational and General plus \$3,261,000 from the 1993-94 Tuition Challenge appropriation, \$8,305,000 for Medical Programs, \$1,030,000 for Dental Clinics, \$312,000 for Recruitment of the Disadvantaged, and \$125,000 for Maxillofacial Prosthodontics.

^j Actually appropriated as \$131,339,000 for Educational and General plus \$3,266,000 from the 1994-95 Tuition Challenge appropriation, \$8,305,000 for Medical Programs, \$1,030,000 for Dental Clinics, \$321,000 for Recruitment of the Disadvantaged, and \$125,000 for Maxillofacial Prosthodontics.

^k Actually appropriated as \$9,305,000 for Educational and General plus \$134,000 from the 1993-94 Tuition Challenge appropriation, \$312,000 for Recruitment of the Disadvantaged, and \$289,000 for International Affairs.

^l Actually appropriated as \$9,439,000 for Educational and General plus \$136,000 from the 1994-95 Tuition Challenge appropriation, \$321,000 for Recruitment of the Disadvantaged, and \$289,000 for International Affairs.

EDUCATION

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
<i>GRANTS AND SUBSIDIES: (continued)</i>			
<i>Non-State-Related Universities and Colleges:</i>			
Drexel University	\$ 4,233	\$ 5,446	\$ 5,446
The Medical College of Pennsylvania and Hahnemann University	7,743 ^a	10,261 ^b	10,261
Thomas Jefferson University	7,659 ^c	9,982 ^d	9,982
University of Pennsylvania	15,937 ^e	20,763 ^f	20,763
University of Pennsylvania Veterinary Activities	12,759 ^g	14,779 ^h	14,707
Subtotal — University of Pennsylvania	\$ 28,696	\$ 35,542	\$ 35,470
Pennsylvania College of Podiatric Medicine	\$ 991	\$ 1,275	\$ 1,275
Pennsylvania College of Optometry	1,203	1,548	1,548
Philadelphia University of the Arts	1,011	1,493	1,043
Philadelphia College of Osteopathic Medicine	4,058	5,222	5,222
Subtotal — Non-State-Related Universities and Colleges	\$ 55,594	\$ 70,769	\$ 70,247
Subtotal — Higher Education Grants and Subsidies	\$ 1,136,764	\$ 1,184,037	\$ 1,201,404
<i>Non-State-Related Institutions:</i>			
<i>Berean:</i>			
Maintenance	\$ 1,154	\$ 1,054	\$ 1,054
Rental Payments	95	98	98
Subtotal — Berean	\$ 1,249	\$ 1,152	\$ 1,152
Downingtown Rental	\$ 78	.....	.....
Johnson Technical Institute	202	\$ 202	\$ 202
Williamson Free School of Mechanical Trades	73	73	73
Subtotal — Non-State-Related Institutions	\$ 1,602	\$ 1,427	\$ 1,427
Total — Higher Education and Other Grants & Subsidies	\$ 1,138,366	\$ 1,185,464	\$ 1,202,831
STATE FUNDS	\$ 6,436,122	\$ 6,669,480	\$ 6,901,330
FEDERAL FUNDS	770,284	896,185	939,207
AUGMENTATIONS	7,892	12,545	7,751
GENERAL FUND TOTAL	\$ 7,214,298	\$ 7,578,210	\$ 7,848,288

^a Actually appropriated as \$3,671,000 for Hahnemann Medical Programs, \$217,000 for Hahnemann Disadvantaged Students, \$689,000 for Hahnemann Allied Health programs, \$2,457,000 for the Medical College of Pennsylvania Medical Programs and \$709,000 for the Medical College of Pennsylvania Allied Health programs.

^b Actually appropriated as \$4,852,000 for Hahnemann Medical Programs, \$321,000 for Hahnemann Disadvantaged Students, \$886,000 for Hahnemann Allied Health programs, \$3,290,000 for the Medical College of Pennsylvania Medical Programs and \$912,000 for the Medical College of Pennsylvania Allied Health programs.

^c Actually appropriated as \$4,582,000 for Medical Programs and \$3,097,000 for Operations and Maintenance.

^d Actually appropriated as \$5,869,000 for Medical Programs and \$4,113,000 for Operations and Maintenance.

^e Actually appropriated as \$11,838,000 for Instruction, \$773,000 for Dental Clinics, and \$3,326,000 for Medical Programs.

^f Actually appropriated as \$15,489,000 for Instruction, \$994,000 for Dental Clinics, and \$4,280,000 for Medical Programs.

^g Actually appropriated as \$7,456,000 for School of Veterinary Medicine, \$2,840,000 for New Bolton, \$1,529,000 for Food and Animal Clinics and \$934,000 for Animal Health and Productivity.

^h Actually appropriated as \$7,456,000 for School of Veterinary Medicine, \$4,154,000 for New Bolton, \$1,968,000 for Food and Animal Clinics and \$1,201,000 for Animal Health and Productivity.

EDUCATION

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
<u>MOTOR LICENSE FUND</u>			
<i>GRANTS AND SUBSIDIES:</i>			
Safe Driving Course	\$ 1,476	\$ 1,672	\$ 1,498
MOTOR LICENSE FUND TOTAL	\$ 1,476	\$ 1,672	\$ 1,498
<u>OTHER FUNDS</u>			
<i>GENERAL FUND:</i>			
Library Services — Extension, Development and Improvement	\$ 3,130	\$ 8,256	\$ 8,256
Pennsylvania State University — Land Grant Aid	100	50	50
Emergency Immigrant Assistance	69	168	181
Surety Bond Proceeds	6	10	10
Homeless Adult Assistance	469	450	450
Temporary Special Aid	745	....	....
Severely Handicapped Program	222	232	300
Private Licensed Schools	414	489	559
Medical Assistance Reimbursements	2,105	1,140	2,750
Education of the Disabled Part D	314	398	417
Education of the Disabled Part C	298	315	315
PANET — Local Education Agencies .....	....	20	40
Approved Private School Audit Resolution	2,837	2,248	....
Total — General Fund	\$ 10,709	\$ 13,776	\$ 13,328
<i>SCHOOL EMPLOYEES RETIREMENT FUND:</i>			
Administration	\$ 20,602	\$ 23,652	\$ 24,406
<i>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</i>			
Local Libraries Rehabilitation and Development .....	....	\$ 2,438	\$ 1,277
State System of Higher Education — Deferred Maintenance .....	....	5,745	6,018
Total — Keystone Recreation, Park and Conservation Fund .....	....	\$ 8,183	\$ 7,295
OTHER FUNDS TOTAL	\$ 31,311	\$ 45,611	\$ 45,029
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 6,436,122	\$ 6,669,480	\$ 6,901,330
SPECIAL FUNDS	1,476	1,672	1,498
FEDERAL FUNDS	770,284	896,185	939,207
AUGMENTATIONS	7,892	12,545	7,751
OTHER FUNDS	31,311	45,611	45,029
TOTAL ALL FUNDS	\$ 7,247,085	\$ 7,625,493	\$ 7,894,815

EDUCATION

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
EDUCATION SUPPORT SERVICES							
General Funds.....	\$ 24,347	\$ 26,451	\$ 20,847	\$ 21,702	\$ 22,440	\$ 23,293	\$ 24,201
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	27,507	52,171	64,938	64,938	64,938	64,938	64,938
Other Funds.....	2,284	2,979	3,243	3,377	3,492	3,626	3,767
TOTAL.....	\$ 54,138	\$ 81,601	\$ 89,028	\$ 90,017	\$ 90,870	\$ 91,857	\$ 92,906
BASIC EDUCATION							
General Funds.....	\$ 5,229,507	\$ 5,413,946	\$ 5,630,781	\$ 5,588,067	\$ 5,596,400	\$ 5,582,777	\$ 5,584,249
Special Funds.....	1,476	1,672	1,498	1,498	1,498	1,498	1,498
Federal Funds.....	735,919	835,067	866,850	866,850	866,850	866,850	866,850
Other Funds.....	32,694	37,832	33,080	33,204	33,310	33,434	33,566
TOTAL.....	\$ 5,999,596	\$ 6,288,517	\$ 6,532,209	\$ 6,489,619	\$ 6,498,058	\$ 6,484,559	\$ 6,486,163
JOB TRAINING							
General Funds.....	\$ 13,248	\$ 12,174	\$ 12,278	\$ 12,496	\$ 12,684	\$ 12,902	\$ 13,134
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	5,535	6,797	5,987	5,987	5,987	5,987	5,987
Other Funds.....	958	815	815	848	877	910	945
TOTAL.....	\$ 19,741	\$ 19,786	\$ 19,080	\$ 19,331	\$ 19,548	\$ 19,799	\$ 20,066
LIBRARY SERVICES							
General Funds.....	\$ 32,206	\$ 32,822	\$ 35,968	\$ 38,623	\$ 38,757	\$ 38,912	\$ 39,077
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	1,323	2,150	1,432	1,432	1,432	1,432	1,432
Other Funds.....	3,167	10,735	9,574	9,576	9,578	9,580	9,582
TOTAL.....	\$ 36,696	\$ 45,707	\$ 46,974	\$ 49,631	\$ 49,767	\$ 49,924	\$ 50,091
HIGHER EDUCATION							
General Funds.....	\$ 1,136,814	\$ 1,184,087	\$ 1,201,456	\$ 1,201,456	\$ 1,201,456	\$ 1,201,456	\$ 1,201,456
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	0	0	0	0	0	0	0
Other Funds.....	100	5,795	6,068	6,068	6,068	6,068	6,068
TOTAL.....	\$ 1,136,914	\$ 1,189,882	\$ 1,207,524	\$ 1,207,524	\$ 1,207,524	\$ 1,207,524	\$ 1,207,524
ALL PROGRAMS:							
GENERAL FUND.....	\$ 6,436,122	\$ 6,669,480	\$ 6,901,330	\$ 6,862,344	\$ 6,871,737	\$ 6,859,340	\$ 6,862,117
SPECIAL FUNDS.....	1,476	1,672	1,498	1,498	1,498	1,498	1,498
FEDERAL FUNDS.....	770,284	896,185	939,207	939,207	939,207	939,207	939,207
OTHER FUNDS.....	39,203	58,156	52,780	53,073	53,325	53,618	53,928
TOTAL.....	\$ 7,247,085	\$ 7,625,493	\$ 7,894,815	\$ 7,856,122	\$ 7,865,767	\$ 7,853,663	\$ 7,856,750

EDUCATION

PROGRAM OBJECTIVE: To provide an effective administrative system through which the substantive programs of the agency can be achieved.

Program: Education Support Services

Education Support Services provides for the administrative and overhead systems which support the operations of programs necessary for the achievement of Commonwealth and agency objectives. The success or failure of these supportive efforts can only be indirectly reflected by the effectiveness of the activities they support. A primary concern of the Commonwealth and each agency is to minimize these administrative costs in relation to the costs of services provided.

In addition to including the executive offices of the Department of Education, budget, publication and legal offices, this program also provides staff support to the State Board of Education and other

administrative boards and commissions. These include boards for private, academic, business, trade and correspondence schools, and the Professional Standards and Practices Commission.

The funds from the School Employees' Retirement Fund used for administration of the School Employees' Retirement System are also included as other funds in this program. Administration of the School Employees' Retirement System includes provision of benefits for retired school employes and counseling and information services for active employes. The system currently provides benefits to over 115,000 annuitants.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	General Government Operations
\$ -6,928	—nonrecurring projects.
1,324	—to continue current program.
\$ -5,604	<i>Appropriation Decrease</i>

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
General Government Operations	<u>\$ 24,347</u>	<u>\$ 26,451</u>	<u>\$ 20,847</u>	<u>\$ 21,702</u>	<u>\$ 22,440</u>	<u>\$ 23,293</u>	<u>\$ 24,201</u>

PROGRAM OBJECTIVE: To provide students with the skills, attitudes and abilities needed for effective living in our complex society.

Program: Basic Education

Program Element: Basic Education

This program element includes funding for the instructional cost at public schools. In addition to funding for basic education, the element includes programs for the improvement of teaching, vocational education, school based teen pregnancy and dropout prevention, adult literacy and the Governor's Schools of Excellence. Funds are also provided for the State operated Scotland School for Veterans' Children and Scranton State School for the Deaf.

The Equalized Subsidy for Basic Education (ESBE) was established by Act 73 of 1983 to distribute the basic education subsidy beginning in the 1983-84 payable year. Over its eleven years of existence, ESBE has contained three primary components: a base subsidy on account of instructional expense, an economic supplement on account of pupils in low-income families and an economic supplement on account of local tax effort and population per square mile.

Act 85 of 1992 established that for ESBE payable for 1992-93, the allocation for each school district will be equal to the allocation of that district payable for 1991-92. Act 16 of 1993 established that for ESBE payable for 1993-94, the allocation for each school district will be equal to the allocation of that district for 1992-93.

Act 16 of 1993 established an Equity Supplement. The Equity Supplement contained five components: an expenditure component, poverty component, foundation guarantee, growth supplement and limited revenue sources supplement. In addition, during 1993-94, money was set aside from the Equity Supplement to assist school districts experiencing financial difficulty.

Act 6A of 1994 combined ESBE and the Equity Supplement into the Basic Education Funding appropriation. The allocation to each school district payable for 1994-95 is equal to the sum of the ESBE and Equity Supplement allocations for 1993-94.

Program Element: Educational Support

The activities included in this element are those which support basic education programs but are not directly involved with their implementation. These programs include: payments to school districts to cover the State share of payroll costs for Social Security and retirement, authority rental and sinking fund payments for school infrastructure, pupil transportation, school food service subsidy, intermediate units and payments in lieu of taxes.

Over one-third of the school buildings in the Commonwealth were constructed prior to 1930. As a response to the aging of school buildings, Act 50 of 1987 raised the reimbursement rates for school building construction and renovation projects. Because of age, demographic changes and a favorable investment climate, school building and renovation projects are increasing.

Program Element: Basic Education-Nonpublic Schools

The Commonwealth provides aid to nonprofit nonpublic schools through this element. Appropriations are for auxiliary services, textbooks, instructional materials and transportation to and from nonpublic schools.

Services provided include guidance counseling, testing, psychological services, speech and hearing services, remedial reading, remedial math and services for exceptional children. Textbooks are loaned to children in nonpublic schools under a program established by Act 195 of 1972. Act 90 of 1975 authorizes instructional materials to be loaned to nonpublic schools. Finally, transportation is provided to and from nonpublic school students under the Public School Code of 1949.

Program Element: Basic Education-Adjudicated Youth and Incarcerated Adults

This element includes educational services for those in rehabilitative or correctional facilities. The appropriations within this element are the Commonwealth's Youth Development Centers and Correctional Education programs.

The Commonwealth's Youth Development Centers house minors adjudicated from the court system. These centers provide rehabilitation and education for these incarcerated juveniles.

A substantial basic education program is provided to adults at the Commonwealth's correctional institutions. Adults who are incarcerated in the institutions are provided the opportunity to participate in an education program which includes: an assessment component that diagnoses the academic achievement levels of each inmate entering an educational program; a basic education curriculum with instruction geared to preparation for the General Education Development diploma; remedial instruction in reading and mathematics; and vocational education and training with emphasis on providing entry level employment skills. There are also opportunities to obtain college level instruction and job placement services throughout the State correctional system.

Program Element: Special Education

Special education, in partnership with basic education, is serving about 282,000 school aged students in Pennsylvania school districts, intermediate units, approved private schools, private residential facilities and State centers.

The major special education appropriation provides support for programs for exceptional children served by the public schools of the Commonwealth. Public school special education programs are administered by all 501 school districts. These programs may be directly operated by the districts or contracted with other school districts, intermediate units or other providers. When appropriate public education is not available, students may be assigned to department approved private schools.

In 1993-94, 1,068 elementary schools in 397 school districts participated in the Instructional Support Team Program. In subsequent fiscal years, additional elementary schools and school districts are expected to participate in this program. Instructional Support Teams are groups of teachers, principals, social workers, psychologists and other school personnel specially trained to help teachers adapt their instruction to assist students who are exhibiting problems in learning. Instructional Support Teams reduce the need for referrals and placements to special education and provide an alternative for students whose needs can be effectively met in the regular classroom.

Program Element: Basic Education-Dropout Prevention

This element provides grants and technical assistance to school districts to develop systematic, comprehensive approaches to restructuring educational and support services in schools with high numbers or percentages of students at risk of dropping out of schools.

Program Element: Basic Education-Teen Parenting

Through this element, the Commonwealth offers program grants, training and technical assistance to schools to provide educational and support services necessary to help pregnant and parenting teens stay in school and graduate. Services include case management, parenting education, referral to pre- and post-natal health care, child care services, transportation and other services.

EDUCATION

Program: Basic Education (continued)

Program Measures

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Basic Education							
Public school enrollments (K-12)	1,744,082	1,779,790	1,812,510	1,840,260	1,857,620	1,870,870	1,882,510
Total expenditures per average daily membership	\$6,200	\$6,600	\$7,000	\$7,400	\$7,800	\$8,200	\$8,600
High school graduation rates	83.7	84.8	85.5	85.9	86.2	86.5	86.7
Graduates enrolling in business, technical or college programs	68,230	72,160	75,280	79,880	83,130	86,350	89,540
Vocational education enrollments	106,150	128,000	132,050	136,000	139,100	139,100	139,100
Vocational education students placed in jobs	12,313	14,848	15,317	15,776	16,136	16,136	16,136
Students taking PA Assessment	251,322	489,000	501,000	511,000	511,000	511,000	511,000
Dropout prevention program enrollments	32,000	30,300	30,000	30,000	30,000	30,000	30,000
Students served by teen parenting programs	5,300	5,400	5,400	5,400	5,400	5,400	5,400
Total General Educational Development (GED) diplomas	17,556	18,000	18,000	18,000	18,000	18,000	18,000
Enrollment in adult basic education	59,238	59,238	59,238	59,238	59,238	59,238	59,238
Adult education volunteers trained	4,254	4,254	4,254	4,254	4,254	4,254	4,254
Adult education students receiving adjunct services	38,017	38,017	38,017	38,017	38,017	38,017	38,017
Scotland School for Veterans' Children enrollment	334	350	350	350	350	350	350
Basic Education-Nonpublic Schools							
Nonpublic school enrollment	325,988	324,646	325,000	325,800	326,600	327,400	328,000
Basic Education-Adjudicated Youth and Incarcerated Adults							
Youth Development Centers							
Total youths served	1,143	1,425	1,550	1,650	1,650	1,650	1,650
Corrections Education							
Enrollments in institutional programs	7,200	8,500	7,300	7,300	7,300	7,300	7,300
Classes presented	490	590	500	500	500	500	500
General Educational Development diplomas (GED's) issued	914	1,200	1,285	1,285	1,285	1,285	1,285

The measure Actual Instruction Expense (AIE) per weighted average daily membership (WADM) has been changed to Total Expenditures per average daily membership (ADM) to more accurately reflect the concept of equity support which focuses on total expenditure per ADM.

Vocational education enrollments are expected to increase over the next five years as a result of the change in the curriculum guidelines.

The number of vocational education students placed in jobs is expected to increase as vocational education enrollments increase as a result of curriculum guidelines which de-emphasize the general education track.

Increase from 1993-94 to 1994-95 in number of students taking PA Assessment is the result of regulations expanding testing to all students in grades 5, 8 and 11.

The adult basic education program measure was previously comprised of adults enrolled, volunteers trained and adult education students receiving adjunct services. The components of the measure are now presented separately to show the individual elements of the program.

Nonpublic school enrollments have been declining in recent years. Enrollments are projected to bottom out in 1994-95 before increasing in future years.

Enrollments in institutional programs and the number of classes presented increases in 1994-95 as educational programs at new prison facilities are implemented. Enrollments in institutional programs and number of classes presented decreases in 1995-96 as Pell Grants will no longer be available to provide postsecondary education programs for incarcerated adults beginning July 1, 1995.

EDUCATION

Program: Basic Education (continued)

Program Measures (continued)

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Special Education							
Pupils with disabilities enrolled in programs	200,182	200,182	189,670	178,206	178,206	178,206	178,206
Pupils enrolled in programs for the gifted	79,756	82,156	82,156	82,156	82,156	82,156	82,156
Scranton School for the Deaf enrollments	96	115	115	115	115	115	115
Students in approved vocational education programs	15,600	17,200	17,500	17,800	18,100	18,100	18,100
Students in approved vocational education programs completing program	3,200	3,350	3,400	3,400	3,450	3,450	3,450

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND:			
\$ 287	Scranton State School for the Deaf —to continue current program.	\$ -1,362	Distressed School District Assistance —to continue current program.
\$ 35	Scotland School for Veterans' Children —to continue current program.	\$ -2,479	Woodland Hills Desegregation —nonrecurring costs.
\$ 494	Youth Development Centers — Education —to continue current program.	\$ 775	Adult Literacy —reflects the inclusion of the grant portion of the Literacy Corps Pilot Project appropriation previously funded through the Department of Labor and Industry.
\$ 222	Correction Education —PRR — Strengthening Crime Fighting Efforts. To provide funds for educational services for the new State Correctional Institution at Houtzdale. See Program Revision in Department of Corrections for further information.	\$ 3,000	Authority Rentals and Sinking Fund —to continue current program.
250	—to continue current program.	\$ 11,098	Pupil Transportation —to continue current program.
\$ 472	<i>Appropriation Increase</i>	\$ -469	Nonpublic Pupil Transportation —to continue current program.
\$ 124,000	Basic Education Funding —PRR — Improving Basic Education. This Program Revision provides funds to preserve the equity support for the Commonwealth's most needy districts, to continue the efforts to reduce the disparities between the districts and to build upon the funding base provided over the last two years. See the Program Revision following this program for further information.		Special Education —PRR — Improving Basic Education. This Program Revision provides funds to increase the reimbursement rates for educational services provided to students enrolled in special education programs, transfer the Institutionalized Children's Program to the school districts and continue the intended phase out of direct supplemental payments for school districts of the first class and first class A. See the Program Revision following this program for further information.
\$ 38,500	Educational Opportunity Grants —PRR — Improving Basic Education. This Program Revision provides funds to introduce a grant program for working class parents to choose the school best suited to meet the needs of their children. See the Program Revision following this program for further information.	\$ 563	—Initiative — Community Support Services. To provide community-based services to enable students with disabilities to receive educational services in the most appropriate setting. Also provides for regional coordination and training activities. In addition to State funds, \$1.739 million in Federal funds are available for this initiative.
		\$ 563	<i>Appropriation Increase</i>

Program: Basic Education (continued)

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>GENERAL FUND: (continued)</p> <p>Early Intervention \$ 713 —PRR — Improving Basic Education. This Program Revision provides a new funding methodology for early intervention services by distributing the funds to school districts based upon the number of children ages three to five residing within the district. See Program Revision following this program for further information. \$ 3,205 —to continue current program. \$ 3,205 <i>Appropriation Increase</i></p> <p>Homebound Instruction \$ -116 —to continue current program.</p> <p>Tuition for Orphans and Children in Private Homes \$ -697 —to continue current program.</p> <p>Education of Migrant Laborers' Children \$ 6 —to continue current program.</p> <p>Education of the Disadvantaged \$ 35 —to continue current program.</p> <p>Special Education - Approved Private Schools \$ 3,432 —to continue current program.</p> <p>Intermediate Units \$ 500 —to continue current program.</p> <p>School Food Services \$ 668 —to continue current program.</p> <p>School Employes' Social Security \$ 8,292 —to meet one-half of the employers' share.</p> <p>School Employes' Retirement Payments \$ 22,001 —to continue current program.</p> <p>Education of Indigent Children \$ 3 —to continue current program.</p> <p>Services to Nonpublic Schools \$ 2,330 —to continue current program.</p>	<p>Textbooks and Supplies for Nonpublic Schools —to continue current program.</p> <p>Distance Learning —to expand Distance Learning capabilities.</p> <p>Ethnic Heritage —nonrecurring projects.</p> <p>Governor's Schools of Excellence —to continue current program.</p> <p>Technical Institute — Pittsburgh School District —nonrecurring projects.</p> <p>Charter School Planning Grants —PRR — Improving Basic Education. This Program Revision provides funding to those interested in developing plans for the establishment of independent charter schools. See Program Revision following this program for further information.</p> <p>School-Based Community Services —Initiative — School-Based Community Learning Services. To transfer funding for the school-based community service learning program from Labor and Industry to Education.</p> <p>Safe Schools —PRR — Improving Basic Education. This Program Revision provides grants to schools to develop strategies to address the increase of violence in schools and to continue the centralized Center for Safe Schools. See the Program Revision following this program for further information.</p> <p>Alternative Schools —PRR — Improving Basic Education. This Program Revision provides grants to school districts to support alternative programs for students who behave in a manner that is disruptive to the school environment. See the Program Revision following this program for further information.</p> <p>MOTOR LICENSE FUND: Safe Driving Program \$ -174 —to continue current program.</p>
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All other appropriations are recommended at the 1994-95 funding level.

EDUCATION

Program: Basic Education (continued)

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
PA Assessment	\$ 3,096	\$ 4,250	\$ 4,250	\$ 4,250	\$ 4,250	\$ 4,250	\$ 4,250
Scranton State School for the Deaf	4,215	4,604	4,891	5,092	5,265	5,465	5,678
Scotland School for Veterans' Children ..	6,614	6,765	6,800	7,079	7,320	7,598	7,894
Youth Development Centers	6,877	8,047	8,541	8,891	9,193	9,542	9,914
Correction Education	9,817	12,439	12,911	13,670	14,135	14,672	15,244
Basic Education Funding	3,090,303	3,213,503	3,337,503	3,295,033	3,277,228	3,262,223	3,262,223
Educational Opportunity Grants .....	.....	.....	38,500	56,650	81,590	81,590	81,590
Distressed School District Assistance	1,000	5,451	4,089	4,089	4,089	4,089	4,089
Woodland Hills Desegregation	4,000	2,479	.....	.....	.....	.....	.....
Instructional Support Team	10,500	11,052	11,052	11,052	11,052	11,052	11,052
For the Improvement of Teaching	1,447	1,448	1,448	1,448	1,448	1,448	1,448
Adult Literacy	7,750	7,750	8,525	8,525	8,525	8,525	8,525
Vocational Education	40,266	39,928	39,928	39,928	39,928	39,928	39,928
Authority Rentals and Sinking Fund	183,963	172,000	175,000	175,000	175,000	175,000	175,000
Pupil Transportation	294,000	300,400	311,498	311,498	311,498	311,498	311,498
Nonpublic Pupil Transportation	28,941	29,760	29,291	29,291	29,291	29,291	29,291
Special Education	555,952	589,871	590,434	570,451	570,468	570,486	570,505
Early Intervention	50,683	64,101	67,306	67,306	67,306	67,306	67,306
Homebound Instruction	544	690	574	574	574	574	574
Tuition for Orphans and Children Placed in Private Homes	26,500	33,772	33,075	33,075	33,075	33,075	33,075
Payments in Lieu of Taxes	486	180	180	180	180	180	180
Education of Migrants' Children	210	216	222	222	222	222	222
Education of Disadvantaged	965	965	1,000	1,000	1,000	1,000	1,000
Special Education—Approved Private Schools	57,177	49,073	52,505	52,505	52,505	52,505	52,505
PA Charter Schools for Deaf and Blind ..	18,823	19,875	19,875	19,875	19,875	19,875	19,875
Private Residential Rehabilitative Institutions	500	500	500	500	500	500	500
Intermediate Units	12,500	11,000	11,500	11,500	11,500	11,500	11,500
School Food Services	14,673	14,692	15,360	15,360	15,360	15,360	15,360
School Employees' Social Security	270,400	278,008	286,300	286,300	286,300	286,300	286,300
School Employees' Retirement Payments ..	444,059	444,059	466,060	466,060	466,060	466,060	466,060
Education of Indigent Children	156	100	103	103	103	103	103
Services to Nonpublic School	56,291	58,256	60,586	60,586	60,586	60,586	60,586
Textbooks and Supplies for Nonpublic Schools	17,230	17,831	18,544	18,544	18,544	18,544	18,544
Teen Pregnancy and Parenting	1,271	1,271	1,271	1,271	1,271	1,271	1,271
Comprehensive Reading	299	300	300	300	300	300	300
Dropout Prevention	1,087	1,089	1,089	1,089	1,089	1,089	1,089
Distance Learning	303	538	1,000	1,000	1,000	1,000	1,000
Ethnic Heritage Studies	100	100	.....	.....	.....	.....	.....
Governor's Schools of Excellence	1,008	1,042	1,429	1,429	1,429	1,429	1,429
Keystone State Games	200	200	200	200	200	200	200
School-to-Work Opportunities	487	500	500	500	500	500	500
Children's Literacy Program	400	.....	.....	.....	.....	.....	.....
Job Training Programs	3,000	.....	.....	.....	.....	.....	.....
Minority Higher Education Enrichment ..	500	.....	.....	.....	.....	.....	.....
Technical Institute — Pittsburgh School District .....	.....	1,800	.....	.....	.....	.....	.....
Community—Based Family Centers	836	4,041	4,041	4,041	4,041	4,041	4,041
Charter School Planning Grants .....	.....	.....	1,000	1,000	1,000	1,000	1,000
School-Based Community Services .....	.....	.....	100	100	100	100	100
Safe Schools .....	.....	.....	500	500	500	500	500
Alternative Schools .....	.....	.....	1,000	1,000	1,000	1,000	1,000
Downingtown Industrial and Agricultural School — Rental	78	.....	.....	.....	.....	.....	.....
TOTAL GENERAL FUND	\$ 5,229,507	\$ 5,413,946	\$ 5,630,781	\$ 5,588,067	\$ 5,596,400	\$ 5,582,777	\$ 5,584,249
MOTOR LICENSE FUND:							
Safe Driving Program	\$ 1,476	\$ 1,672	\$ 1,498	\$ 1,498	\$ 1,498	\$ 1,498	\$ 1,498
TOTAL MOTOR LICENSE FUND	\$ 1,476	\$ 1,672	\$ 1,498	\$ 1,498	\$ 1,498	\$ 1,498	\$ 1,498

Program Revision: Improving Basic Education

Pennsylvania's future depends upon the educational opportunities offered to our students regardless of where they live. This Program Revision enhances support of basic education by increasing funds available for a variety of programs and also provides funds to initiate new strategies to address the educational needs of our children. This proposal includes planning grant funds for the development of new charter public schools and provides funds to develop innovative strategies to address disruptive behavior and violence in our schools. Funding is also provided to serve as an incentive to encourage increased local support of the public library system. In addition, accountability and performance standards are being introduced into the Commonwealth's educational system.

Basic Education

This Program Revision provides an additional \$124 million for distribution to school districts for basic education programs. The proposal is intended to preserve equity support for the Commonwealth's most needy districts and to continue efforts to reduce the disparities between the wealthiest and poorest districts in the State. The proposal accomplishes this by incorporating and extending the important equity considerations of past subsidy systems into a simple per student calculation which reflects the growth associated with increasing enrollments.

The proposal establishes for each school district a 1995-96 per student support level that is based on its 1994-95 per student subsidy increased by three percent. The 1995-96 per student support amount is then multiplied by the school district's 1994-95 average daily membership. This funding will direct the greatest per student support to those districts most in need but also ensure that each district will receive a total allocation of at least one percent greater than its 1994-95 allocation.

Educational Opportunity Grants

This Program Revision creates an Educational Opportunity Grant program to provide parents with the opportunity to choose the type of school best suited for their children. This concept proposes that Educational Opportunity Grants be provided to working class families of the Commonwealth. Opportunity grants will be made available to families on an income means-tested basis. The grants will be funded at a level of \$700 per student in grades K through 8 and \$1,000 for students in grades 9 through 12, or 90 percent of actual tuition cost, whichever is lower. The program will be phased in Statewide over a three-year period. This proposal will give parents greater educational options for their children. In addition, all students will benefit as the public school system becomes more accountable and responsive to the educational needs of children.

Charter School Planning Grants

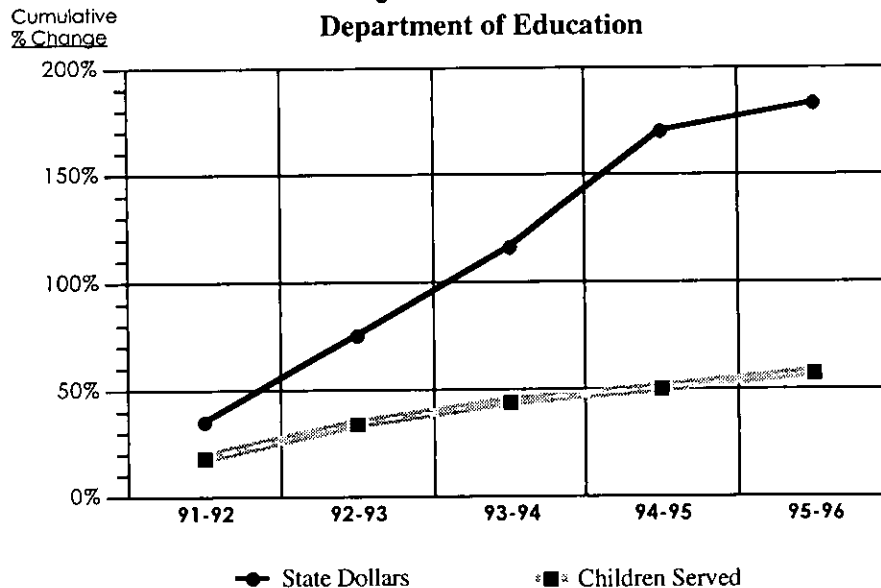
Not only should parents have an opportunity to choose the school best suited to meet their children's needs, they should also be provided with a wider variety of quality educational alternatives from which to choose. Charter public schools will provide this variety. This proposal provides \$1 million for planning grants to those interested in developing strategies to establish charter schools. These public schools, created and controlled by parents and teachers, will spur innovative approaches to education and improved quality, while controlling costs. Charter schools will operate free from educational mandates, except those concerning nondiscrimination, health and safety.

Special Education

This Program Revision provides for an increase in the reimbursement rates for students receiving special education services. Under this proposal, school districts will receive \$13,000 per student, based on one

Early Intervention

Department of Education



Program: Improving Basic Education (continued)

percent of their student population, to fund programs for students with severe disabilities, and \$1,040 per student, based on 15 percent of their student population, for regular special education programs.

The proposal transfers funding for the institutionalized children's program to the school district in which each approved institution is located. The proposal also continues to pay for qualifying expenditures for unusually high special education costs based on the school district aid ratio. The one percent set aside for a contingency fund to support school districts with extraordinary expenses incurred in providing special education programs is also maintained. The proposal continues the intended phaseout of the direct supplemental payments to first class and first class A school districts.

Early Intervention

Costs for the early intervention program continue to outpace the growth in the number of children served. Since 1990-91, the number of children served has increased by 56.5 percent while program costs have increased by 183.5 percent. This Program Revision modifies the manner in which the early intervention funds are distributed by providing the funds directly to the school districts. This change will facilitate greater local control of programs and eliminate the annual administrative burden of executing mutually agreed upon written arrangements. State funds will be allocated based on a formula using a per child distribution with a percentage of live births being the primary component. The proposal creates a contingency fund for extraordinary expenses incurred in providing early intervention services. Funds will also be set aside for training and technical assistance. In addition, Federal funds available for these services will be directed to the school districts.

Safe Schools

This Program Revision provides \$500,000 to address the increasing incidence of disruptive and violent behavior in the schools. Grants will be made available to school districts to develop innovative ways to address problems of disruptive and violent students. A portion of the funds provided will be targeted to those school districts which have experienced the greatest problems with violence. The State will continue to maintain a clearinghouse of materials, training and technical assistance for schools. This effort is intended to provide children with the opportunity to learn and teachers to teach unhindered by violence and disciplinary problems in the schools.

Alternative Schools

This Program Revision provides \$1 million for school districts to develop alternative education programs for students who behave in a

manner that is disruptive to the school environment. School districts will be encouraged to work together to tailor the type of program necessary to meet their needs whether it be through the joining of school districts through intermediate units or creating a consortia of their own. Important program goals will be to protect the regular schools, to isolate students who are dangerous, violent and disruptive and ultimately to insure positive reentry of students into the regular school environment. As a mechanism to encourage local participation in this process, the proposal requires local matching support.

Encouraging Local Support of Library Services

The Public Library System is intended to meet the informational, educational and recreational needs of the residents of the Commonwealth. This Program Revision proposes to recodify the Library Code and establish a link between public libraries and local government. The proposal modifies the current funding methodology for libraries by providing State funds as an incentive to encourage increased local support of the library system.

Under this proposal, libraries will earn credit for local income rather than local expenditures. The formula also gives special consideration to libraries serving municipalities which are economically distressed, libraries serving rural areas, and libraries serving a county or multi-county system. By increasing local support, libraries will be better able to meet the demanding challenges of maintaining their role as the information resource available to all Commonwealth citizens.

Accountability and Performance

In 1995-96, a Statewide effort will begin to measure, recognize and reward school performance. A process will be established to identify a set of indicators that will provide a comprehensive assessment of the performance of our schools in improving the academic achievement of students. Rewards will be made in 1996-97 to those schools that make the largest achievement gains as compared to similar schools when assessed against these criteria. In this way, schools will have direct incentives to improve student performance and Pennsylvanians will have greater accountability from their educational system.

This Program Revision establishes Pennsylvania's financial commitment to the educational system. It creates new and innovative strategies to improve the system and enhances each child's access to a quality education.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Students (average daily membership) benefiting from increases in basic education funding							
Program Revision .....	....	....	1,751,000	1,751,000	1,751,000	1,751,000	1,751,000
Special education reimbursement for one percent of school districts' average daily membership							
Current	\$12,000	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500
Program Revision .....	....	....	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000
Special education reimbursement for 15 percent of school districts' average daily membership							
Current	\$1,025	\$1,035	\$1,035	\$1,035	\$1,035	\$1,035	\$1,035
Program Revision .....	....	....	\$1,040	\$1,040	\$1,040	\$1,040	\$1,040

EDUCATION

Program: Improving Basic Education (continued)

Program Measures: (continued)

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
School districts receiving safe school grants							
Program Revision	20	20	20	20	20
School districts receiving alternative program grants							
Program Revision	25	25	25	25	25

Program Revision Recommendations:

This budget recommends the following changes: (Dollar amounts in Thousands)

\$ 124,000	Basic Education Funding —to provide increased funding to school districts to support basic education programs.	\$ 1,000	Alternative Schools —to provide grants to school districts to assist in the development of alternative programs for students who behave in a manner that is disruptive to the school environment.
\$ 38,500	Educational Opportunity Grants —to provide Educational Opportunity Grants to working class parents of school aged children in order to increase educational choices.	\$ 2,500	Improvement of Library Services —to provide for a new funding methodology intended to stimulate local support of the public library system.
\$ 1,000	Charter School Planning Grants —to provide funding to entities interested in developing plans to establish independent public charter schools.	<u>\$167,500</u>	<i>Program Revision Total</i>
\$ 500	Safe Schools —to provide funds to school districts to develop strategies to address occurrences of violent and disruptive behavior at school.		

Recommended Program Revision Costs by Appropriation:

(Dollar amounts in Thousands)

	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimate
GENERAL FUND:							
Basic Education	\$ 124,000	\$ 81,530	\$ 63,725	\$ 48,720	\$ 48,720
Educational Opportunity Grants	38,500	56,650	81,590	81,590	81,590
Charter School Planning Grants	1,000	1,000	1,000	1,000	1,000
Safe Schools	500	500	500	500	500
Alternative Schools	1,000	1,000	1,000	1,000	1,000
Improvement of Library Services	2,500	5,000	5,000	5,000	5,000
TOTAL GENERAL FUND	\$ 167,500	\$ 145,680	\$ 152,815	\$ 137,810	\$ 137,810

EDUCATION

PROGRAM OBJECTIVE: To improve the employment capabilities of those persons in the Commonwealth who are unemployed or underemployed.

Program: Job Training

This program includes funding for the Job Training Partnership and programs offered through the Thaddeus Stevens State School of Technology, Berean Training and Industrial School, Johnson Technical Institute and Williamson Free School of Mechanical Trades.

Under the Federal Job Training Partnership Act, State Government, local government and the private sector work cooperatively in the development, planning and implementation of programs. Eight percent of funds under Title II-A and C of the act are earmarked for involvement of the education community in providing school to work programs, literacy and lifelong learning and programs to train women for non-traditional employment. Matching funds are provided from State, Federal and local sources. Up to 20 percent of the education funds can be used

for coordination and linkage activities between educational institutions and entities responsible for local administration of employment and training services.

The Customized Job Training Program previously funded through this subcategory has been transferred to the Department of Commerce.

Thaddeus Stevens State School of Technology provides post-secondary vocational training to indigent youths at State expense. Berean Training and Industrial School offers one and two year post-secondary trade and technical training. Johnson Technical Institute and Williamson Free School of Mechanical Trades provide secondary three-year technical programs.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Providers offering job training plans	172	172	172	172	172	172	172
Trainees enrolled in job training programs	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Trainees completing instruction	11,129	11,200	11,200	11,200	11,700	11,700	11,700
Trainees placed in jobs	8,500	9,000	9,980	9,980	10,080	10,080	10,080
Stevens enrollments	464	484	500	500	500	500	500
Berean enrollments	257	300	300	350	400	450	500
Johnson enrollments	355	329	360	364	368	375	379
Williamson enrollments	247	248	255	255	260	260	260

The measure Providers offering economic development training plans has been changed to Providers offering job training plans. The measure Trainees enrolled in economic development training programs has been changed to Trainees enrolled in job training programs. Both changes were made to reflect the transfer of the Customized Job Training program to the Department of Commerce, effective July 1, 1995.

The number of trainees placed in jobs is higher than estimated in last year's budget because the economic climate was more favorable than had been anticipated resulting in a greater number of job placements.

Berean enrollments were lower than anticipated in 1993-94 as the method of counting enrollments was realigned from hourly units to trimester units.

Johnson enrollments are lower than had been anticipated for 1994-95 because school closing due to severe winter weather prevented recruiters from getting to schools to recruit students.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>JTPA — Matching Funds \$ -144 —to continue current program.</p>	<p>Thaddeus Stevens State School of Technology \$ 248 —to continue current program.</p>
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All other appropriations are recommended at the 1994-95 funding level.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
JTPA-Matching Funds	\$ 6,811	\$ 5,672	\$ 5,528	\$ 5,528	\$ 5,528	\$ 5,528	\$ 5,528
Thaddeus Stevens State School of Technology	4,913	5,075	5,323	5,541	5,729	5,947	6,179
Non-State-related Institutions	1,524	1,427	1,427	1,427	1,427	1,427	1,427
TOTAL GENERAL FUND	\$ 13,248	\$ 12,174	\$ 12,278	\$ 12,496	\$ 12,684	\$ 12,902	\$ 13,134

PROGRAM OBJECTIVE: To provide and improve library services to citizens of the Commonwealth, special libraries, and government agencies and employes.

Program: Library Services

This program includes funding to support and improve State and local library services and to insure access to these services by citizens of the Commonwealth. The program includes: the State Library, Improvement of Library Services, Library Services for Visually Impaired and Disabled, Library ACCESS, the School Library Catalog and Distance Learning.

The State Library is the agency of the Commonwealth charged with developing, improving and coordinating library services and systems in the State. It provides Statewide leadership in the development of libraries as essential contributors to cultural and economic well being of Pennsylvania communities.

The State Library, located in Harrisburg, is a major resource library serving the State Government, as well as libraries and residents of the Commonwealth. It includes an extensive general and legal reference collection, comprehensive collections of Pennsylvania newspapers and Pennsylvania State and U.S. Government publications; computer search services to provide reference and research assistance to State Government personnel from more than 300 databases; and a computer-based catalog, to give users more rapid access to information about the collection. Since 1990, the library has provided dial-access to the catalog for State agency offices and other libraries. In 1993, the catalog became available on the Internet.

The Library Development function provides leadership and advisory services to public, academic and special libraries; coordinates a Statewide system of public libraries; administers a program of State-aid to public libraries and promotes sharing of library resources through a variety of cooperative programs affecting libraries Statewide.

The appropriation for Improvement of Library Services encourages

local libraries to meet the information, education and recreation needs of the Commonwealth. These funds assist in supporting 28 district libraries making their resources and services available to all residents of their respective areas on behalf of the Commonwealth. In addition, they support four regional resource center libraries which are designated by State law to acquire research collections and make them available to all residents.

Library Services for Visually Impaired and Disabled provides operating funds to Pennsylvania's regional libraries for direct mail services to Pennsylvania residents who are blind and physically disabled and cannot utilize regular print materials. Seventy percent of the users of this program are elderly persons who are often homebound and isolated with no other access to the world of books. The service is provided through contracts with the Carnegie Library of Pittsburgh and the Free Library of Philadelphia.

The Library ACCESS program allows people to use any participating public library no matter where they live. Libraries are reimbursed for the cost of lending books to people living outside their service area.

The School Library Catalog Program provides students and teachers with information about library holdings across the Commonwealth. It provides access to books, journals and other information held by any participating school, college or university. The program's objective is to increase access to educational materials and to automate the time consuming management functions of Pennsylvania school libraries. The program should improve the curriculum across the Commonwealth by providing access to information skills in support of Chapter 5 of the New Curriculum Regulations and Student Learning Outcome.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Percentage of State population served by State-aided libraries	97%	98%	98%	98%	98%	98%	98%
Items lent (in thousands)	56,700	59,000	62,000	64,700	67,600	71,600	74,200
Titles in State Library collection listed in machine readable catalog data base ..	743,039	758,000	773,000	788,000	803,000	818,000	818,000
Patron queries handled by State Library staff	95,500	95,500	95,500	95,500	95,500	95,500	95,500
Items loaned under the Statewide Library ACCESS Program	9,000	10,000	10,700	12,000	13,500	15,200	17,000
Citizens served by ACCESS Pennsylvania database	480,000	525,000	575,000	630,000	695,000	722,000	775,000

EDUCATION

Program: Library Services (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>State Library</p> <p>\$ 166 —to continue current program.</p> <p>300 —to provide for one evening and Saturday hours.</p> <hr style="width: 50%; margin-left: 0;"/> <p>\$ 466 <i>Appropriation Increase</i></p>	<p>Library Services for Visually Impaired and Disabled.</p> <p>\$ 110 —to continue current programs.</p> <p>Library Access</p> <p>\$ 150 —to continue current program.</p> <p>School Library Catalog</p> <p>\$ 20 —to continue current program.</p> <p>Medical Library and Museum</p> <p>\$ -100 —nonrecurring project.</p>	
<p>Improvement of Library Services</p> <p>\$ 2,500 —PRR — Improving Basic Education. This Program Revision provides for a new funding methodology intended to stimulate local support of libraries, provide a greater degree of funding equity and simplify the current funding distribution formula. See Program Revision following this program for further information.</p>		

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
State Library	\$ 2,859	\$ 3,311	\$ 3,777	\$ 3,932	\$ 4,066	\$ 4,221	\$ 4,386
Improvement of Library Services	23,809	23,809	26,309	28,809	28,809	28,809	28,809
Library Services for Visually Impaired and Disabled	2,138	2,202	2,312	2,312	2,312	2,312	2,312
Library Access	3,000	3,000	3,150	3,150	3,150	3,150	3,150
School Library Catalog	400	400	420	420	420	420	420
Medical Library and Museum .....	.....	100	.....	.....	.....	.....	.....
TOTAL GENERAL FUND	\$ 32,206	\$ 32,822	\$ 35,968	\$ 38,623	\$ 38,757	\$ 38,912	\$ 39,077

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 238 degree granting institutions which include the State System of Higher Education, the four State-related universities, the community colleges, and the Commonwealth's independent colleges, universities and specialized degree granting institutions.

Funding for these institutions is through direct grant appropriations and, for most of the independent sector, through the Institutional Assistance Grants and student support programs of the Higher Education Assistance Agency.

Table 1
Full-Time Equivalent Enrollments at State-Supported Institutions of Higher Education, Actual and Projected

Institutional Category	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
State System of Higher Education	88,461	87,583	87,772	88,093	88,343	88,528	88,712
Community Colleges	80,206	80,921	81,557	83,339	85,014	86,737	88,521
State-related Universities	124,164	123,578	123,946	124,355	124,971	125,435	125,839
State-Aided	33,053	32,685	32,227	32,024	31,888	31,856	31,881
TOTAL	325,884	324,767	325,502	327,811	330,216	332,556	334,953

Program Element: State System of Higher Education

Funding for the 14 universities of the State System of Higher Education is distributed through the Chancellor's office to the individual universities in accordance with a formula which considers the enrollment and programs of the school and the cost of operating and maintaining the individual campuses. The universities provide a broad liberal arts curriculum, but each has a specific mission; some in health sciences, others in technologies and all of them in teacher education. Most offer the master's degree level in some of their programs.

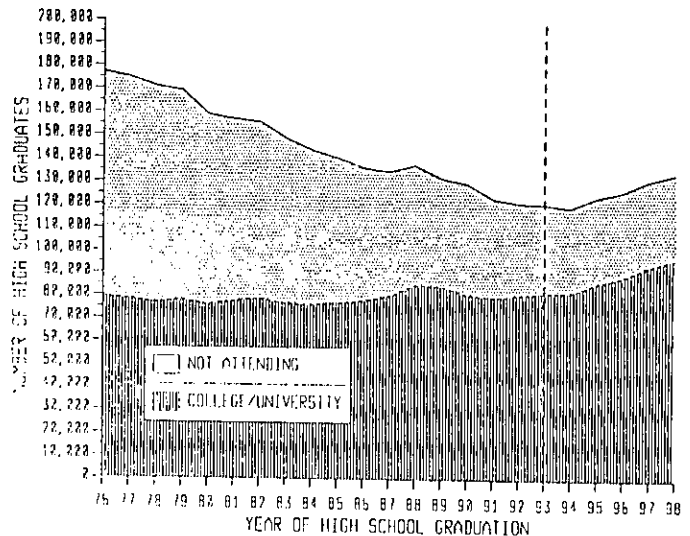
Program Element: Community Colleges

Funding for the community colleges is shared by sponsoring counties or school districts, the students through tuition payments, and the Commonwealth. Commonwealth appropriations are based on a formula which considers the number of students enrolled, the number of students in each of several technical programs for which additional stipends are paid to recognize the high cost of those programs and the capital costs of the college. The colleges offer two-year liberal arts curricula for transfer to other institutions and two-year programs in technologies or other vocational areas which culminate in an associate degree or certificate. They also offer non-credit programs such as public safety to improve personal and professional skills.

Program Element: State-related Universities

Funding for the four State-related universities—The Pennsylvania State University, the University of Pittsburgh, Temple University and Lincoln University provides basic support for the educational program. The first three of these Commonwealth universities are major research universities; they provide programs to the doctoral level in the arts and sciences and professional schools in medical and legal fields.

Figure 1
High School Postgraduate Activity 1976 to 1993 with Projections for 1994 Through 1998



EDUCATION

Program: Higher Education (continued)

Enrollment and Degree Programs:

Full-time equivalent enrollment in State-supported institutions is expected to increase by slightly less than three percent over the next five years but that trend differs markedly from one sector to another. The enrollment is affected by two factors: the population of college age students continues its decline but the impact of the decrease is offset by increases in the participation rates of the traditional college age population and an increase in attendance of older students and part-time students.

There has been some concern about the number of Pennsylvania high school graduates who choose not to attend college. In 1993, of 120,875 high school graduates 81,840 or 68 percent had planned to

attend a degree granting postsecondary institution. This is a substantial improvement over 1985 when only 51 percent of high school graduates planned to attend college. Figure 1 shows that the number of graduates attending postsecondary education has improved steadily over the past 10 years.

The Pennsylvania Association of Colleges and Universities, the Higher Education Assistance Agency, and the Department of Education are all working with school districts to disseminate information to students and their parents about the importance of postsecondary education, the choices available to students, the financial aid available and the high school preparation required.

Table 2
State-Supported Institutions FTE Enrollments by Subject Area

Subject Area	Number and Percent of Total	1993-94 Actual	1994-95 Projected	1995-96 Projected	1996-97 Projected	1997-98 Projected	1998-99 Projected	1999-00 Projected	Percent Change
Agricultural and Natural Resources	# %	4,255 1.31	4,288 1.32	4,302 1.32	4,340 1.32	4,443 1.35	4,541 1.37	4,630 1.38	8.81
Arts and Letters	# %	55,337 16.98	55,896 17.21	56,056 17.22	56,812 17.33	57,548 17.43	58,265 17.52	58,997 17.61	6.61
Business, Management, Data Processing	# %	50,575 15.52	49,913 15.37	50,324 15.46	50,682 15.46	51,044 15.46	51,464 15.48	51,887 15.49	2.59
Communications and Related Technologies	# %	8,443 2.59	8,282 2.55	8,329 2.56	8,372 2.55	8,425 2.55	8,469 2.55	8,517 2.54	0.88
Computer and Information Sciences	# %	6,403 1.96	6,227 1.92	6,195 1.90	6,239 1.90	6,289 1.90	6,329 1.90	6,370 1.90	-0.52
Education	# %	40,677 12.48	40,362 12.43	40,465 12.43	40,630 12.39	40,734 12.34	40,897 12.30	41,034 12.25	0.88
Engineering, Architecture and Environmental Design	# %	18,613 5.71	18,135 5.58	18,041 5.54	18,059 5.51	18,048 5.47	18,088 5.44	18,129 5.41	-2.60
Engineering and Related Technologies	# %	7,996 2.45	7,840 2.41	7,959 2.45	8,095 2.47	8,261 2.50	8,383 2.52	8,519 2.54	6.54
Health Professions, Health Sciences and Biological Sciences	# %	49,100 15.07	49,805 15.34	49,646 15.25	49,982 15.25	50,307 15.23	50,620 15.22	50,941 15.21	3.75
Home Economics, Human Services and Public Affairs	# %	18,926 5.81	18,839 5.80	18,805 5.78	18,919 5.77	19,084 5.78	19,209 5.78	19,352 5.78	2.25
Industrial, Repair, Construction and Transport Technologies	# %	2,955 0.91	2,963 0.91	2,988 0.92	3,069 0.94	3,149 0.95	3,232 0.97	3,299 0.98	11.64
Law	# %	4,101 1.26	4,182 1.29	4,173 1.28	4,182 1.28	4,194 1.27	4,203 1.26	4,213 1.26	2.73
Physical Sciences, Mathematics and Related Technologies	# %	14,079 4.32	13,949 4.30	13,993 4.30	14,055 4.29	14,093 4.27	14,117 4.24	14,151 4.22	0.51
Social Sciences, Psychology, Area Studies and Foreign Languages	# %	33,590 10.31	33,292 10.25	33,339 10.24	33,358 10.18	33,449 10.13	33,471 10.06	33,518 10.01	-0.21
Multi-Interdisciplinary Studies/Military Sciences	# %	10,834 3.32	10,794 3.32	10,887 3.34	11,017 3.36	11,148 3.38	11,268 3.39	11,396 3.40	5.19 3.40
TOTAL	# %	325,884 100.00	324,767 100.00	325,502 100.00	327,811 100.00	330,216 100.00	332,556 100.00	334,953 100.00	2.78

Program: Higher Education (continued)

Along with higher education enrollment size, the mix of enrollments by discipline will shape the future of higher education. Table 2 shows the projections of enrollment in the State-supported institutions from 1993-94 through 1999-00. It reflects the increased choices of job oriented disciplines with good employment rates such as engineering technology, and industrial technologies but also reflects a slower growth in the engineering and physical science/mathematics enrollments than in the past.

A review of fields in which degrees are awarded shows the greatest numbers of four-year degrees are in Business (including Marketing),

Education, Engineering (with emphasis on Electrical and Mechanical Engineering), Health Sciences (including Medicine and Nursing), the Social Sciences (including Political Science and Economics), and the Arts and Letters programs.

The publicly funded institutions in Pennsylvania graduate over 71,000 students annually with degrees ranging from the two-year Associate Degree to doctoral and professional degrees. Pennsylvania degree graduates from both the public and private sector total over 100,000 annually.

Table 3
Higher Education Degrees Awarded by State-Supported
Institutions of Higher Education
Actual and Projected

Institutional Category	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
State System of Higher Education	18,834	18,863	18,751	18,648	18,600	18,731	18,896
Community Colleges	11,555	11,670	11,889	12,097	12,391	12,620	12,914
State-related Universities	30,902	30,999	31,162	31,242	31,159	31,281	31,363
State Aided	10,264	10,105	10,082	10,117	10,024	9,930	9,995
TOTAL	71,555	71,637	71,884	72,104	72,174	72,562	73,168

Program Element: Support for Educationally Disadvantaged and Minority Students

The Higher Education Equal Opportunity Program provides grants to colleges for tutorial and counseling services for economically and educationally disadvantaged students to aid them in succeeding in college.

The 1983 agreement between the Department of Education and the Federal Office of Civil Rights provided a five-year plan to enhance Cheyney and Lincoln Universities and increase minority enrollment at the other State system and State-related universities. While that agreement has ended, the budget continues the initiative it began. Funding is included to continue to help with the cost of recruiting and retaining minority students. Funds for the enhancement of Lincoln are continued as part of its educational and general appropriation. Funds are provided for an affirmative action program at the State System of Higher Education.

Program Element: Research

An essential ingredient for a healthy economy and the creation of new jobs in any region is the existence of vigorous research universities. Regions with the most dynamic economies are those where research and development investments have been heavy. The research university not only provides new ideas, technologies and products to industry but also educates and motivates graduates to turn those ideas, technologies and products into industry and jobs.

While the University of Pittsburgh and Temple University are also major research universities, the Pennsylvania State University (Penn State) is the primary recipient of direct research funds designated by the Commonwealth to support research in agriculture, engineering, biological and physical sciences, earth and mineral sciences, health and

human services and others. Penn State is the Commonwealth's Federally designated land-grant university and as such has received funds designated for agricultural research since 1901.

The continued State support for organized research is a means of promoting a responsive position on the ever changing needs of the Commonwealth. In this regard, colleges and universities can play a major role in the economic development of the Commonwealth through the creation of a climate which will attract new high technology industries to the State.

Program Element: Community Service

Public and community services are provided by all sectors of higher education and include short-term courses and workshops and programs in the arts. The bulk of Commonwealth funding in this area supports the Cooperative Extension Service of Penn State. The service offers consultation to any State resident on agricultural or environmental issues. It operates the Agricultural Extension Computer Network which, with a computer in every county extension office, offers a Statewide network of information linked to the resources of the main campus.

Program Element: Support Services

The Department of Education provides leadership and support services to all sectors of higher education. Responsibilities include liaison with the national accrediting agencies, the State Board of Education and other governing boards, policy review and development based on comprehensive planning and research and implementation of the higher education master plan and the Commonwealth of Pennsylvania plan for equal education opportunity. The agency also provides certificates to those seeking teaching certification in Pennsylvania.

EDUCATION

Program: Higher Education (continued)

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Office of Civil Rights reviews of institutional plans	33	33	33	33	33	33	33
Teacher certifications	35,545	36,900	38,225	39,610	41,035	42,600	44,025
Tests administered for certification	65,771	66,420	67,093	67,590	67,700	67,800	69,000
Programs evaluated	415	279	362	257	235	420	280
Minority enrollments at public institutions ..	45,453	46,700	48,400	49,500	51,300	52,500	54,400
Students served by Act 101 programs ...	14,040	14,090	14,000	14,000	14,500	14,500	14,500

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Higher Education of the Blind or Deaf \$ 2 —to continue current program.</p> <p>Community Colleges \$ 4,500 —PRR — Expanding Access to Higher Education. This Program Revision increases the reimbursement rate for credit courses and continues reimbursement for noncredit courses.</p> <p>Higher Education for the Disadvantaged \$ 228 —to continue current program.</p> <p>Higher Education Equipment \$ -2,000 —nonrecurring projects.</p>	<p>Higher Education Tuition Challenge \$ 15,161 —PRR — Expanding Access to Higher Education. This Program Revision will improve access to higher education through a tuition grant to universities for each Pennsylvania resident undergraduate, graduate or professional student provided that the institution holds the tuition increase to no more than 4.5% above the 1994-95 level. See Program Revision following this program for further information.</p> <p>State-Aided Colleges and Universities \$ -522 —nonrecurring projects.</p>
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All other appropriations are recommended at the 1994-95 funding levels.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Higher Education of the Blind or Deaf ...	\$ 50	\$ 50	\$ 52	\$ 52	\$ 52	\$ 52	\$ 52
Community Colleges	144,493	147,649	152,149	152,149	152,149	152,149	152,149
Higher Education for the Disadvantaged ..	7,497	7,600	7,828	7,828	7,828	7,828	7,828
Rural Initiatives	164	350	350	350	350	350	350
Higher Education Equipment		2,000					
Higher Education Tuition Challenge			15,161	15,161	15,161	15,161	15,161
State System of Higher Education (SSHE)	379,023	387,916	387,916	387,916	387,916	387,916	387,916
The Pennsylvania State University	259,210	269,146	269,146	269,146	269,146	269,146	269,146
University of Pittsburgh	139,282	144,036	144,036	144,036	144,036	144,036	144,036
Temple University	141,461	144,386	144,386	144,386	144,386	144,386	144,386
Lincoln University	10,040	10,185	10,185	10,185	10,185	10,185	10,185
State-aided Colleges and Universities	55,594	70,769	70,247	70,247	70,247	70,247	70,247
TOTAL GENERAL FUND	\$ 1,136,814	\$ 1,184,087	\$ 1,201,456	\$ 1,201,456	\$ 1,201,456	\$ 1,201,456	\$ 1,201,456

Program Revision: Expanding Access to Higher Education

Pennsylvania maintains a rich diversity of higher education institutions and one of the largest higher educational systems in the nation. An increasing number of Commonwealth high school graduates are pursuing college degrees. In 1993, 68 percent of high school students planned to attend college. This Program Revision improves access to higher education by providing additional funds for the Grants to Students program administered by the Pennsylvania Higher Education Assistance Agency and additional funds for the universities through the Tuition Challenge grant program. The proposal also increases the State's reimbursement rate for credit courses offered at the Community Colleges.

Grants to Students

Access to higher education has become increasingly difficult for many Pennsylvanians as the result of college and university tuition and fee increases. The Commonwealth is committed to reducing economic obstacles to access to the State's higher education system. The State's Higher Education Grant Program is unique in that it provides support to those individuals whose academic qualifications would allow them to attend college but whose limited financial resources make it unaffordable. This Program Revision continues the expansion of assistance to qualified Pennsylvania residents who are pursuing a postsecondary education on a full-time basis and also continues the assistance program for part-time students who are enrolled in a degree granting program.

The \$35.8 million increase provided by this Program Revision will enable the Pennsylvania Higher Education Assistance Agency to provide new grants to about 10,000 additional applicants and increase the maximum grant amount to \$2,700, a \$100 increase over the amount available in the 1994-95 academic year. The income cap for part-time students can also be increased, allowing additional part-time students to participate in the program. The average State grant for all full-time recipients is also expected to increase to \$1,925 compared to the \$1,748 average grant for the 1994-95 academic year. This proposal also allows for an increase in the maximum income level so that families which experience a slight increase in income will continue to be eligible to receive grants.

Tuition Challenge Grants

Over the last ten years, State universities have raised their tuition, fees, room and board an average of 7.3% annually. These cost increases have made it more difficult for individuals of limited financial resources to attend college.

This Program Revision recommends a tuition challenge grant program for State universities in order to expand access to higher education. Approximately \$15.2 million will be provided to the Department of Education for allocation to the State System of Higher Education (SSHE) and the State-related universities: The Pennsylvania State University (including the Pennsylvania College of Technology), the University of Pittsburgh, Temple University and Lincoln University. In order to qualify for the program, institutions must limit tuition increases for full-time undergraduate, graduate and first year professional resident students to no more than 4.5% over the prior academic year's tuition level. Funds will be allocated based on Fall 1994 enrollment figures at eligible institutions. Approximately \$100 would be available per full-time Pennsylvania resident student and should benefit approximately 151,000 full-time students.

Community College Funding

Pennsylvania's fifteen Community Colleges were established to provide greater access to educational opportunities to residents of the Commonwealth. It is estimated that nearly 600,000 residents attend courses and training offered through the Community College system each year. These colleges offer a variety of courses, ranging from degree and/or certificate granting programs to public safety training programs to basic self-improvement courses.

This Program Revision proposes to increase the credit reimbursement rate per equivalent full-time student from \$1,080 to \$1,180, a 9.3% increase. The noncredit reimbursement rate will be \$732 per equivalent full-time student. This proposal continues the variable stipend funding as well as provides funding for mandated capital projects.

This Program Revision will not only benefit the universities and community colleges through increased State support but also Pennsylvania residents, who will have continued access to affordable higher education opportunities.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Applicants enrolled and eligible for State aid grants							
Current	142,220	152,001	152,001	152,001	152,001	152,001	152,001
Program Revision .....	....	....	161,740	166,590	171,570	176,740	182,040
Students benefiting from 1995-96 tuition cap							
Program Revision .....	....	....	150,862	150,862	150,862	150,862	150,862
Reimbursement rate for credit courses							
Current	\$1,040	\$1,080	\$1,080	\$1,080	\$1,080	\$1,080	\$1,080
Program Revision .....	....	....	1,180	1,180	1,180	1,180	1,180

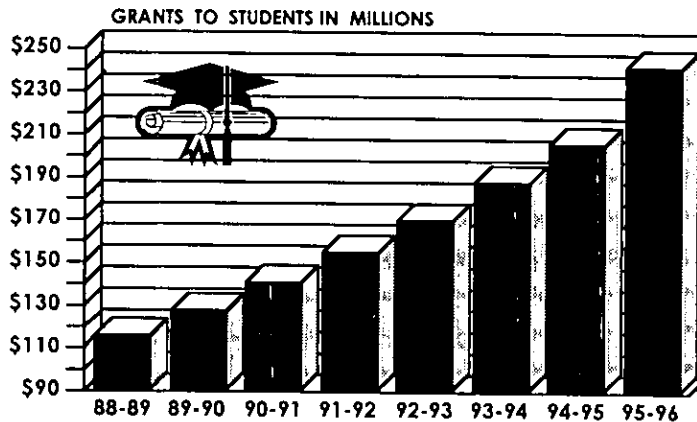
Program: Expanding Access to Higher Education (continued)

Program Revision Recommendations: _____

This budget recommends the following changes: (Dollar amounts in Thousands)

\$ 15,161	EDUCATION Tuition Challenge —to improve access to higher education through a tuition grant of \$100 per full-time Pennsylvania resident student to universities that limit tuition increases to no more than 4.5% above the 1994-95 level.	\$ 35,791	HIGHER EDUCATION ASSISTANCE AGENCY Grants to Students —to provide an increase in the maximum full-time grant by \$100, increase the number of grant recipients by 10,000, and continue the grant program for part-time students enrolled at post-secondary institutions.
\$ 4,500	Community Colleges —to increase the per student reimbursement rate for credit courses from \$1,080 to \$1,180 and continue reimbursement for noncredit courses.	\$ 55,452	<i>Program Revision Total</i>


Student Aid Higher Education Assistance Agency



Recommended Program Revision Costs by Appropriation: _____

(Dollar amounts in Thousands)

	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimate
GENERAL FUND:							
Education							
Tuition Challenge	15,161	\$ 15,161	\$ 15,161	\$ 15,161	\$ 15,161
Community Colleges	4,500	4,500	4,500	4,500	4,500
Higher Education Assistance Agency							
Grants to Students	35,791	35,791	35,791	35,791	\$ 35,791
TOTAL GENERAL FUND	\$ 55,452	\$ 55,452	\$ 55,452	\$ 55,452	\$ 55,452



Commonwealth of Pennsylvania

Emergency Management Agency

The Pennsylvania Emergency Management Agency develops and maintains a comprehensive plan and program for the civil defense of the Commonwealth. Primarily the plan calls for the protection of life and property both in the event of natural and man-made disasters and under enemy attack. The agency also provides loans to volunteer fire, ambulance and rescue companies, and coordinates State fire services.

EMERGENCY MANAGEMENT AGENCY

Summary by Fund and Appropriation

GENERAL FUND:

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL GOVERNMENT:			
General Government Operations	\$ 3,295 *	\$ 3,833 *	\$ 4,421
(F) Civil Preparedness	2,307	2,453	2,442
(F) Flash Flood Project — Warning System	78	405	115
(F) Hazardous Materials Planning and Training	105	369	387
(F) Chemical Preparedness .....	....	175	100
(A) Civil Air Patrol	195	....	....
(A) Nuclear Facility	83	85	85
Total — General Government Operations	\$ 6,063	\$ 7,320	\$ 7,550
State Fire Commissioner's Office	\$ 1,263	\$ 1,262	\$ 1,284
(F) Fire Prevention .....	....	10	20
(A) Ronald McDonald Reimbursement .....	....	25	25
(A) Arson Fines	1	2	2
(A) Hazardous Materials General Operations .....	....	....	16
Total — State Fire Commissioner's Office	\$ 1,264	\$ 1,299	\$ 1,347
Subtotal — State Funds	\$ 4,558	\$ 5,095	\$ 5,705
Subtotal — Federal Funds	2,490	3,412	3,064
Subtotal — Augmentations	279	112	128
Total — General Government	\$ 7,327	\$ 8,619	\$ 8,897
GRANTS AND SUBSIDIES:			
Firefighters Memorial Flag	\$ 10	\$ 10	\$ 10
Civil Air Patrol .....	....	100	....
Emergency and Disaster Relief — 1994 Snowstorm	750	....	....
(F) Winter Storm Disaster Aid	75	50	....
Total — Grants and Subsidies	\$ 835	\$ 160	\$ 10
STATE FUNDS	\$ 5,318	\$ 5,205	\$ 5,715
FEDERAL FUNDS	2,565	3,462	3,064
AUGMENTATIONS	279	112	128
GENERAL FUND TOTAL	\$ 8,162	\$ 8,779	\$ 8,907
OTHER FUNDS:			
GENERAL FUND:			
Emergency Management and Disaster Assistance	\$ 34,559	\$ 50,000	\$ 4,000
Radiological Emergency Response Planning	541	572	500
Radiation Emergency Response Fund	545	546	500
Radiation Transportation Emergency Response Fund .....	....	179	95
GENERAL FUND TOTAL	\$ 35,645	\$ 51,297	\$ 5,095
HAZARDOUS MATERIALS RESPONSE FUND:			
General Operations	\$ 100	\$ 126	\$ 131
Hazardous Materials Response Team	100	126	131
Grants to Counties	707	885	921
Public and Facilities Owners Education	100	126	131
HAZARDOUS MATERIALS RESPONSE FUND TOTAL	\$ 1,007	\$ 1,263	\$ 1,314
VOLUNTEER COMPANIES LOAN FUND:			
Volunteer Company Loans	\$ 16,720	\$ 18,095	\$ 16,090
OTHER FUNDS TOTAL	\$ 53,372	\$ 70,655	\$ 22,499
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUNDS	\$ 5,318	\$ 5,205	\$ 5,715
FEDERAL FUNDS	2,565	3,462	3,064
AUGMENTATIONS	279	112	128
OTHER FUNDS	53,372	70,655	22,499
TOTAL — ALL FUNDS	\$ 61,534	\$ 79,434	\$ 31,406

* Excludes \$8,000 for discontinued interagency billing.

EMERGENCY MANAGEMENT AGENCY

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
EMERGENCY MANAGEMENT							
General Funds.....	\$ 4,045	\$ 3,933	\$ 4,421	\$ 4,660	\$ 4,819	\$ 5,002	\$ 5,197
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	2,565	3,452	3,044	3,044	3,044	3,044	3,044
Other Funds.....	36,930	52,645	6,494	6,428	6,335	6,335	6,335
TOTAL.....	\$ 43,540	\$ 60,030	\$ 13,959	\$ 14,132	\$ 14,198	\$ 14,381	\$ 14,576
FIRE PREVENTION AND SAFETY							
General Funds.....	\$ 1,273	\$ 1,272	\$ 1,294	\$ 1,347	\$ 1,392	\$ 1,445	\$ 1,501
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	0	10	20	20	20	20	20
Other Funds.....	16,721	18,122	16,133	14,044	14,020	15,021	15,022
TOTAL.....	\$ 17,994	\$ 19,404	\$ 17,447	\$ 15,411	\$ 15,432	\$ 16,486	\$ 16,543
ALL PROGRAMS:							
GENERAL FUND.....	\$ 5,318	\$ 5,205	\$ 5,715	\$ 6,007	\$ 6,211	\$ 6,447	\$ 6,698
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,565	3,462	3,064	3,064	3,064	3,064	3,064
OTHER FUNDS.....	53,651	70,767	22,627	20,472	20,355	21,356	21,357
TOTAL.....	\$ 61,534	\$ 79,434	\$ 31,406	\$ 29,543	\$ 29,630	\$ 30,867	\$ 31,119

EMERGENCY MANAGEMENT AGENCY

PROGRAM OBJECTIVE: To develop and maintain a Statewide emergency force capable of immediate and effective action in event of natural, technological or other man-made disasters and rapid organizational expansion to assure civil preparedness for war or resource based emergencies.

Program: Emergency Management

This program provides essential services and facilities during periods of emergency, coordinates State, county and local activities associated with emergency services and coordinates Pennsylvania's national preparedness operations with those of other states and the Federal Emergency Management Agency.

The Pennsylvania Emergency Management Agency (PEMA) has developed a basic organization designed on the National Governors' Association model of comprehensive emergency management. A multi-agency training program is designed to develop and maintain a Statewide emergency force composed of State, county and local units jointly capable of: prompt and effective action aimed at the protection of life and property and the alleviation of human suffering and hardship resulting from natural and man-made disasters; and rapid organizational expansion required for civil preparedness in the event of war or other resource based emergencies.

Expanding agency missions include the following programs: prison/community safety, 911 program implementation, Statewide chemical and nuclear power safety and disaster assistance program responsibility.

The Commonwealth's civil preparedness and response capability in the event of emergencies is provided through the maintenance of a Statewide hazard assessment, planning, warning, training and education, communications, hazardous materials transportation system, radiation-monitoring network and the nucleus of an organization to facilitate deployment of resources to protect life and property. Federal, State, county and local emergency management activities and training are coordinated through this program. PEMA is responsible for county, municipal and State planning and response around nuclear power plants. This program involves 49 counties.

Counties are required to have an approved emergency program plan consisting of: a statement of accomplishments; required financial needs; hazard vulnerability; and goals indicating projected activity. The Federal Emergency Management Agency (FEMA) requires annual review and update of emergency operations plans, programs and periodic exercises.

Requirements of the Environmental Protection Agency under the Federal Superfund Amendments and Reauthorization Act (SARA Title III) and the Federal Clean Air Act amendments involve upgrading chemical emergency preparedness facility plans. Responsibilities for preparedness involve state and county governments and chemical manufacturers.

Act 165 of 1990 imposed additional requirements on State and local governments relating to planning and training activities in connection with SARA Title III. Encompassed within the overall Act 165 planning and training activities are those associated with the Federal Hazardous Materials Transportation Uniform Safety Act (HMTUSA).

Another area included in this program is that of readiness training at the county and local level as measured through a comprehensive exercise program. With the development of a much more extensive and integrated program of training, exercises and tests, the ability of the county and local forces to provide a comprehensive and coordinated first line response to emergency conditions has been greatly enhanced at a relatively low cost, thereby reducing recovery costs to the local, State and Federal Governments.

The Federal and State laws mandate conduct of exercise programs. The FEMA requirement calls for a four-year rotation of natural, technological and national security exercises at the State, county and local (over 50,000 population) level annually.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	General Government Operations	64	—Initiative — District Offices Enhancements —
\$ -203	—nonrecurring projects.		To improve coordinated interagency and
698	—to continue current program.		intergovernment emergency readiness,
29	—Initiative — Enhanced Chemical Emergency		response and recovery activities.
	Preparedness — To facilitate the annual	\$ 588	<i>Appropriation Increase</i>
	review and approval process of 3,100		
	chemical preparedness plans. This Initiative		
	would provide right-to-know information and		
	increase community outreach programs.	\$ -100	Civil Air Patrol
			—nonrecurring project.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
GENERAL FUND:							
General Government Operations	\$ 3,295	\$ 3,833	\$ 4,421	\$ 4,660	\$ 4,819	\$ 5,002	\$ 5,197
Civil Air Patrol . . . . .	. . . . .	100	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
Emergency and Disaster Relief — 1994							
Snowstorm	750	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
TOTAL GENERAL FUND	\$ 4,045	\$ 3,933	\$ 4,421	\$ 4,660	\$ 4,819	\$ 5,002	\$ 5,197

EMERGENCY MANAGEMENT AGENCY

PROGRAM OBJECTIVE: To minimize the loss of life and property due to fire by developing and maintaining Statewide municipal fire and emergency service capability.

Program: Fire Prevention and Safety

This program provides operating funds for the Fire Commissioner to coordinate and organize State level fire safety functions; for the administration and operation of the Volunteer Loan Assistance Program which provides low-interest loans to fire, ambulance and rescue companies; the administration and operation of the State Fire Academy which provides training classes to paid as well as volunteer personnel.

The State Fire Commissioner is responsible for coordinating Federal, State and private fire safety funds; assisting State agencies in the development of plans related to fire safety; reviewing existing or proposed rules and regulations affecting the safety of Commonwealth citizens; and providing a cost-effective fire-loss management system for the Commonwealth.

Through contacts with government agencies, the business community, consumers and the fire service, the Fire Commissioner's Office renders technical assistance, collects, reviews and disseminates pertinent information about fire death data and fire prevention and control techniques, and conducts Statewide fire safety educational programs for the entire fire community.

The State Fire Academy at Lewistown is the catalyst for fire training delivery. The academy provides advanced professional development for fire service officers, command personnel, instructors and other specialists engaged in fire prevention and suppression activities; makes available a Firefighter Certification Program based on nationally accepted professional standards; acts as the educational hub for all other fire and emergency services training in Pennsylvania; and serves the Commonwealth's fire community as the designated resident

Commonwealth government center for hazardous chemical and radioactive material training, providing training for both first responders and certified county hazardous materials response teams. Fire Academy personnel work closely with the community colleges for local level course development, community college and county fire school instructor certification and delivery of local level fire training courses to over 70,000 students a year.

Another area of assistance to the fire fighting, ambulance and rescue community is the Volunteer Company Loan Assistance Program. The purpose of the program is to improve the capabilities of volunteer fire companies, ambulance services and rescue squads through the provision of low-interest loans for establishing or modernizing facilities to house fire fighting apparatus, purchasing new apparatus or equipment for firefighting, protective services, communications and accessory equipment. Priority is given to replacement of outmoded or unsafe equipment and provision of additional equipment needed to meet unusual demand. Interest is two percent per annum. In 1990 the Legislature expanded this program by \$25 million and in 1992 increased the loan limits to \$200,000 for a maximum of 15 years. Loans of \$15,000 or less are limited to five years and loans up to \$99,000 to a period of 10 years. In order to reduce the application backlog for the Volunteer Loan Assistance Program, funds were included in the appropriations beginning in 1993-94. Funding for the loan program is reflected in the financial statement for this fund included in the special funds appendix section of this budget.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Local fire training graduates	61,242	64,000	65,000	67,000	69,000	70,000	70,000
Fire school resident graduates	1,802	2,200	2,400	2,600	2,600	2,600	2,600
Volunteer loans granted (in thousands) . .	\$19,531	\$18,000	\$16,000	\$14,000	\$14,000	\$15,000	\$16,000

The decrease in the program measure for the number of local fire training graduates compared to projections in the 1994-95 Budget is attributed largely to completion of initial OSHA required HazMat training for firefighters.

The increase in the number of fire school resident graduates is attributed to the fire academy's rehabilitated and expanded multi-environment training complex.

The decrease in the volunteer loans granted compared to the 1994-95 Budget is due to the continued reduction of the existing loan backlog and increased loan limits.

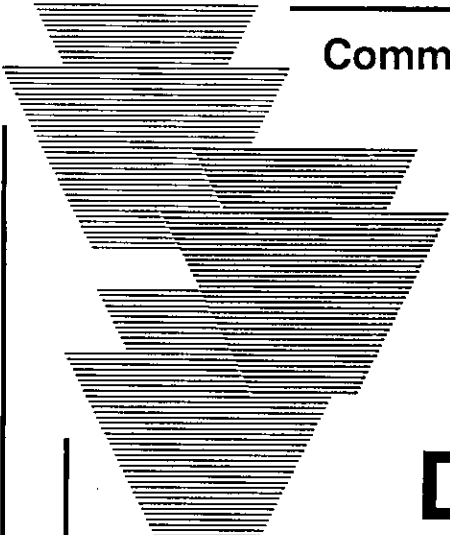
Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	State Fire Commissioner's Office	
\$ 40	—	to continue current program.
—18	—	nonrecurring projects.
<u>\$ 22</u>		<i>Appropriation Increase</i>

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
State Fire Commissioner's Office	\$ 1,263	\$ 1,262	\$ 1,284	\$ 1,337	\$ 1,382	\$ 1,435	\$ 1,491
Firefighters Memorial Flag	10	10	10	10	10	10	10
TOTAL GENERAL FUND	<u>\$ 1,273</u>	<u>\$ 1,272</u>	<u>\$ 1,294</u>	<u>\$ 1,347</u>	<u>\$ 1,392</u>	<u>\$ 1,445</u>	<u>\$ 1,501</u>



Commonwealth of Pennsylvania

Department of Environmental Protection

Legislation will be proposed to create the Department of Environmental Protection during 1995-96. Programs of the proposed department previously existed in the Department of Environmental Resources.

The Department of Environmental Protection would be responsible for enforcing laws and regulations to prevent environmental pollution and degradation and act as a trustee to guarantee the rights of all Pennsylvanians, including future generations, to a clean environment.

The department's presentation includes the Citizens Advisory Council, the Environmental Hearing Board, the Environmental Quality Board, the State Conservation Commission, the State Board for Certification of Sewage Enforcement Officers and the State Board for Certification of Sewage Treatment and Waterworks Operators.

ENVIRONMENTAL PROTECTION

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 17,914 ^{a, b, c}	\$ 20,970 ^{b, d, e}	\$ 19,772
(F) Surface Mine Conservation	800	1,301	1,301
(F) EPA Planning Grant	75	.....	.....
(F) Surface Mine Control and Reclamation	448	1,100	1,100
(A) Reimbursement — Laboratory Services	3,459	4,788	4,239
(A) Reimbursement — EDP Services	2,196	3,301	3,740
(A) PENNVEST — Reimbursement for Services	31	.....	.....
(A) Department Services	17	75	75
(A) Clean Air Fund	50	50	50
(A) Clean Water Fund	57	57	57
(A) Solid Waste Abatement Fund	115	115	96
Subtotal — Federal Funds	\$ 1,323	\$ 2,401	\$ 2,401
Subtotal — Augmentations	5,925	8,386	8,257
Total — General Government Operations	\$ 25,162	\$ 31,757	\$ 30,430
Environmental Hearing Board	1,240	1,498	1,457
(F) Surface Mine Conservation	38	40	.....
(A) Reimbursement for Services	14	20	20
Total — Environmental Hearing Board	\$ 1,292	\$ 1,558	\$ 1,477
Chesapeake Bay Agricultural Source Abatement	2,977	2,986	3,069
(F) Chesapeake Bay Pollution Abatement	3,219	4,000	4,000
Total — Chesapeake Bay Preservation	\$ 6,196	\$ 6,986	\$ 7,069
Environmental Program Management	28,050 ^{f, g, h}	30,289 ^{f, g, i}	31,607
(F) Coastal Zone Management	1,322	1,923	1,923
(F) Construction Management — Administration	466	1,029	929
(F) Bituminous Demonstration Project	20	20	20
(F) Safe Drinking Water Act — Management	1,473	1,775	1,856
(F) Water Pollution Control Grants — Management	1,499	1,642	1,642
(F) Air Pollution Control Grants — Management	2,639	3,079	2,800
(F) Upper Delaware National Scenic River	5	10	.....
(F) Surface Mine Conservation	4,043	6,125	3,712
(F) Bond Forfeiture	240	213	75
(F) Delaware Estuary Management Conference	142	322	322
(F) Hydroelectric Power Conservation Fund .....	.....	23	.....
(F) Wetland Protection Fund	191	400	400
(F) Abandoned Mine Emergency Response .....	.....	4,500	18
(F) Emergency Disaster Relief	119	112	200
(F) ARC — Abandoned Mine Restoration Research	18	18	.....
(F) Abandoned Mine Reclamation	23,960	40,000	39,885
(F) Training and Education of Underground Coal Miners	587	650	685

^a Actually appropriated as part of the \$21,808,000 appropriation to the Department of Environmental Resources.

^b Excludes \$51,000 for discontinued interagency billing.

^c Excludes \$41,000 for food-site inspections transferred to the Department of Agriculture in accordance with Act 131 of 1994.

^d Actually appropriated as part of the \$24,999,000 appropriation to the Department of Environmental Resources.

^e Excludes \$43,000 for food-site inspections transferred to the Department of Agriculture in accordance with Act 131 of 1994.

^f Includes the transfer of the Energy Office from the Executive Offices.

^g Excludes \$67,000 for discontinued interagency billing.

^h Excludes \$150,000 for food-site inspections transferred to the Department of Agriculture in accordance with Act 131 of 1994.

ⁱ Excludes \$155,000 for food-site inspections transferred to the Department of Agriculture in accordance with Act 131 of 1994.

ENVIRONMENTAL PROTECTION

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
GENERAL GOVERNMENT: (continued)			
(F) Office of Surface Mining — Deep Mine Safety	\$ 81	\$ 115	\$ 200
(F) Radiation Regulation and Monitoring	118	130	315
(F) Diagnostic X-Ray Equipment Testing	27	34	34
(F) Rural Clean Water	45	.....	.....
(F) Water Quality Outreach Training	63	100	110
(F) Water Quality Management Planning Grants	741	1,086	1,086
(F) Small Operators Assistance	1,281	2,000	2,000
(F) Clean Lakes Program	140	793	793
(F) Non-Point Source Pollution	454	700	400
(F) Wellhead Protection Fund	128	300	300
(F) Indoor Radon Abatement	464	600	600
(F) PHHSBG — Vector Control	212	.....	.....
(F) Non-Point Source Implementation	1,326	4,968	4,968
(F) State Legalization Impact	69	98	.....
(F) Pollution Prevention	8	100	473
(F) OSM Title V Mine Reclamation .....	.....	180	200
(F) Energy Extension Services	205 ^a	61 ^a	.....
(F) State Energy Conservation Plan	332 ^a	750 ^a	675
(F) Institutional Conservation	65 ^a	375 ^{a, b}	375
(F) Heating Oil & Propane Availability Study	15 ^a	20 ^a	20
(F) National Energy Awards	45 ^a	255 ^a	510
(F) Heavy Duty Vehicle Program .....	.....^a	100 ^a	125
(F) Greenhouse Gas Emissions Mitigation	12 ^a	63 ^{a, c}	100
(F) Photovoltaic Demonstration Project .....	.....^a	20 ^a	.....
(F) National Industrial Competitiveness .....	.....^a	450 ^a	.....
(F) Mid-Atlantic Regional Consortium .....	.....^a	50 ^a	.....
(F) National AFV Teleconference	100 ^a	350 ^a	250
(F) Alternative Fuels .....	.....^a	250 ^{a, d}	.....
(F) Alternative Fuel School Bus Project	66 ^a	.....^a	.....
(A) Payments — Department Services	17	20	20
(A) Vehicle Sales	4	10	10
(A) Clean Air Fund	416	973	973
(A) Clean Water Fund	108	988	494
(A) Reimbursement from Water Pollution Control Revolving Fund .....	.....	180	299
(A) Safe Drinking Water Account	16	42	21
(A) Solid Waste Abatement	699	1,122	1,026
(A) Reimbursement — Well Plugging	32	82	43
(A) Reimbursement — PENNVEST	523	343	129
(A) Energy Conservation — Special Projects	281 ^a	1,059 ^a	645
Subtotal — Federal Funds	\$ 42,721	\$ 75,789	\$ 68,001
Subtotal — Augmentations	2,096	4,819	3,660
Total — Environmental Program Management	\$ 72,867	\$ 110,897	\$ 103,268

^a Transferred from Executive Offices.

^b Includes recommended supplemental of \$270,000.

^c Includes recommended supplemental of \$38,000.

^d Includes recommended supplemental of \$250,000.

ENVIRONMENTAL PROTECTION

Summary by Fund and Appropriation

GENERAL FUND	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL GOVERNMENT: (continued)			
Environmental Protection Operations	\$ 49,828 ^a	\$ 56,866 ^b	\$ 60,355
(F) Water Pollution Control Grants	2,853	3,000	3,000
(F) EPA — Planning Grant — Administration	4,386	4,900	5,600
(F) Air Pollution Control Grants	2,708	3,121	2,900
(F) Surface Mine Control and Reclamation	5,318	5,110	7,288
(F) Construction Management Assistance Grants	772	910	910
(F) Safe Water Drinking Act	1,110	1,250	1,169
(F) Stormwater Permitting Initiative	642	959	1,159
(F) Oil Pollution Spills Removal .....	.....	1,000	1,000
(A) Clean Air Fund	1,000	1,818	1,793
(A) Clean Water Fund	1,500	1,657	873
(A) Vehicle Sale	35	40	40
(A) Reimbursement from Water Pollution Control Revolving Fund	309	622	669
(A) Safe Drinking Water Account	43	43	43
(A) Solid Waste Abatement	2,300	2,740	2,511
(A) Reimbursement — Well Plugging	85	279	85
(A) Reimbursement — PENNVEST	573	603	269
(A) Reimbursement — Department Services	45	45	45
Subtotal — Federal Funds	\$ 17,789	\$ 20,250	\$ 23,026
Subtotal — Augmentations	5,890	7,847	6,328
Total — Environmental Protection Operations	\$ 73,507	\$ 84,963	\$ 89,709
Abandoned Surface Mine Reclamation .....	.....	.....	2,000
Black Fly Control and Research	2,615	2,671	2,751
(A) County Contributions	296	650	650
Total — Black Fly Control and Research	\$ 2,911	\$ 3,321	\$ 3,401
Subtotal — State Funds	\$ 102,624	\$ 115,280	\$ 121,011
Subtotal — Federal Funds	65,090	102,480	97,428
Subtotal — Augmentations	14,221	21,722	18,915
Total — General Government	\$ 181,935	\$ 239,482	\$ 237,354
GRANTS AND SUBSIDIES:			
Low-Level Radioactive Waste Control	\$ 1,850	\$ 1,600	\$ 1,546
Flood Control Projects	295	650	300
Storm Water Management	595	595	595
Sewage Facilities Planning Grants	3,000	2,800	2,000
Sewage Facilities Enforcement Grants	2,722	2,500	2,800
Sewage Treatment Plant Operations Grants	34,600	36,500	.....
Delaware River Master	73	80	81
Ohio River Basin Commission	9	10	11
Susquehanna River Basin Commission	310	340	360
Interstate Commission on the Potomac River	32	34	35
Delaware River Basin Commission	897	884	978
Ohio River Valley Water Sanitation Commission	125	125	139
Chesapeake Bay Commission	235	235	235
Local Soil and Water District Assistance	1,500	2,225	2,225
Nutrient Management Fund .....	.....	750	750
Interstate Mining Commission	15	17	17
Appalachian States Waste Compact	117	117	96

^a Excludes \$1,245,000 for food-site inspections transferred to the Department of Agriculture in accordance with Act 131 of 1994.

^b Excludes \$1,282,000 for food-site inspections transferred to the Department of Agriculture in accordance with Act 131 of 1994.

ENVIRONMENTAL PROTECTION

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
<i>GRANTS AND SUBSIDIES: (continued)</i>			
Center for Hazardous Materials Research .....	....	\$ 300	....
Small Water System Regionalization	\$ 96	300	\$ 500
Energy Development Authority	300 *	300 *	....
Subtotal — State Funds	\$ 46,771	\$ 50,362	\$ 12,668
STATE FUNDS	\$ 149,395	\$ 165,642	\$ 133,679
FEDERAL FUNDS	65,090	102,480	97,428
AUGMENTATIONS	14,221	21,722	18,915
GENERAL FUND TOTAL	\$ 228,706	\$ 289,844	\$ 250,022
 ENERGY CONSERVATION AND ASSISTANCE FUND			
<i>GRANTS AND SUBSIDIES:</i>			
Energy Conservation	\$ 3,000 *	\$ 117 *	\$ 150
 OTHER FUNDS			
<i>GENERAL FUND:</i>			
Safe Drinking Water Account	\$ 639	\$ 2,111	\$ 675
Radiation Protection Fund	3,392	3,947	4,184
Clean Water Fund	5,083	12,980	5,438
Solid Waste Abatement Fund	4,518	8,669	6,095
Well Plugging Account	526	696	486
Abandoned Well Plugging	2	102	105
Orphan Well Plugging .....	....	191	130
Alternative Fuels Incentive Grants	161	3,341	3,500
GENERAL FUND TOTAL	\$ 14,321	\$ 32,037	\$ 20,613
 <i>ACID MINE DRAINAGE ABATEMENT AND TREATMENT FUND:</i>			
General Operations (EA) .....	....	\$ 2,000	\$ 3,046
 <i>CLEAN AIR FUND:</i>			
General Operations (EA)	\$ 11,209	\$ 17,125	\$ 20,321
 <i>COAL AND CLAY MINE SUBSIDENCE INSURANCE FUND:</i>			
General Operations (EA)	\$ 1,126	\$ 1,411	\$ 1,402
Payment of Claims (EA)	2,000	2,000	2,000
COAL AND CLAY MINE SUBSIDENCE INSURANCE FUND TOTAL	\$ 3,126	\$ 3,411	\$ 3,402
 <i>ENERGY DEVELOPMENT FUND:</i>			
Loans/Grants	\$ 1,095 *	\$ 2,065 *	....
Administration	149 *	300 *	....
ENERGY DEVELOPMENT FUND TOTAL	\$ 1,244 *	\$ 2,365 *	....

* Transferred from Executive Offices.

ENVIRONMENTAL PROTECTION

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
OTHER FUNDS			
ENVIRONMENTAL EDUCATION FUND:			
General Operations (EA)	\$ 150	\$ 1,125	\$ 609
HAZARDOUS SITES CLEANUP FUND:			
General Operations (EA)	\$ 12,887	\$ 18,046	\$ 15,092
Hazardous Sites Cleanup (EA)	35,375	50,000	62,000
Recycling Grants (EA)	2,000	500	500
Host Municipality Grants (EA)	80	155	158
Loan to Storage Tank Fund (EA) .....	.....	.....	.....
Loan to Air Quality Improvement Fund	1,015	.....	.....
Federal Superfund Contributions	477	250	.....
HAZARDOUS SITES CLEANUP FUND TOTAL	\$ 51,834	\$ 68,951	\$ 77,750
LOW-LEVEL WASTE FUND:			
General Operations (EA)	\$ 1,753	\$ 2,143	\$ 2,229
NON-COAL SURFACE MINING CONSERVATION AND RECLAMATION FUND:			
General Operations (EA)	\$ 21	\$ 1,228	\$ 1,228
NUTRIENT MANAGEMENT FUND:			
State Conservation Commission .....	.....	\$ 750	\$ 750
RECYCLING FUND:			
Recycling Coordinator Reimbursement (EA)	\$ 1,200	\$ 1,200	\$ 1,200
Reimbursement for Municipal Inspection (EA)	250	300	300
Reimbursement for Host Municipality Review of Permit Applications (EA) .....	.....	50	50
Administration of Recycling Program (EA)	931	981	914
County Planning Grants (EA)	1,119	1,500	1,500
Municipal Planning Grants (EA)	19,956	20,000	20,000
Municipal Recycling Performance Program (EA)	10,000	14,000	15,500
Public Education/Technical Assistance (EA)	9,023	9,850	8,550
RECYCLING FUND TOTAL	\$ 42,479	\$ 47,881	\$ 48,014
REGIONAL FACILITY SITING FUND:			
General Operations (EA)	\$ 10,308	\$ 9,459	\$ 831
REMINING ENVIRONMENTAL ENHANCEMENT FUND:			
Remining and Reclamation Incentives .....	.....	\$ 500	\$ 500
REMINING FINANCIAL ASSURANCE FUND:			
Remining Financial Assurance .....	.....	.....	\$ 500
STORAGE TANK FUND:			
General Operations (EA)	\$ 6,981	\$ 7,898	\$ 7,310
Federal Grant — UST	185	222	222
Federal Grant — LUST	3,137	3,368	3,000
Transfer to Storage Tank Loan Program .....	.....	.....	.....
STORAGE TANK FUND TOTAL	\$ 10,303	\$ 11,488	\$ 10,532

^a Although authorized by legislation, no activity is anticipated during this year.

ENVIRONMENTAL PROTECTION

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
<u>OTHER FUNDS</u>			
<i>SURFACE MINING CONSERVATION AND RECLAMATION FUND:</i>			
General Operations (EA)	\$ 1,359	\$ 1,686	\$ 1,731
OTHER FUNDS TOTAL	\$ 148,107	\$ 202,149	\$ 192,056
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 149,395	\$ 165,642	\$ 133,679
SPECIAL FUNDS	3,000	117	150
FEDERAL FUNDS	65,090	102,480	97,428
AUGMENTATIONS	14,221	21,722	18,915
RESTRICTED REVENUES .....	.....	.....	.....
OTHER FUNDS	148,107	202,149	192,056
TOTAL ALL FUNDS	\$ 379,813	\$ 492,110	\$ 442,228

ENVIRONMENTAL PROTECTION

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
ENVIRONMENTAL SUPPORT SERVICES							
General Funds.....	\$ 19,154	\$ 22,468	\$ 21,229	\$ 22,100	\$ 22,852	\$ 23,721	\$ 24,647
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	1,361	2,441	2,401	2,401	2,401	2,401	2,401
Other Funds.....	5,939	8,406	8,277	8,609	8,895	9,226	9,579
TOTAL.....	\$ 26,454	\$ 33,315	\$ 31,907	\$ 33,110	\$ 34,148	\$ 35,348	\$ 36,627
ENVIRONMENTAL PROTECTION AND MANAGEMENT							
General Funds.....	\$ 130,241	\$ 143,174	\$ 112,450	\$ 116,460	\$ 119,920	\$ 123,921	\$ 128,182
Special Funds.....	3,000	117	150	0	0	0	0
Federal Funds.....	63,729	100,039	95,027	94,318	94,012	93,909	93,809
Other Funds.....	156,389	215,465	202,694	167,279	161,246	157,124	157,564
TOTAL.....	\$ 353,359	\$ 458,795	\$ 410,321	\$ 378,057	\$ 375,178	\$ 374,954	\$ 379,555
ALL PROGRAMS:							
GENERAL FUND.....	\$ 149,395	\$ 165,642	\$ 133,679	\$ 138,560	\$ 142,772	\$ 147,642	\$ 152,829
SPECIAL FUNDS.....	3,000	117	150	0	0	0	0
FEDERAL FUNDS.....	65,090	102,480	97,428	96,719	96,413	96,310	96,210
OTHER FUNDS.....	162,328	223,871	210,971	175,888	170,141	166,350	167,143
TOTAL.....	\$ 379,813	\$ 492,110	\$ 442,228	\$ 411,167	\$ 409,326	\$ 410,302	\$ 416,182

ENVIRONMENTAL PROTECTION

PROGRAM OBJECTIVE: To provide administrative and technical support for the Commonwealth's environmental protection programs.

Program: Environmental Support Services

This program provides the administrative and technical systems which control and support the department's programs. Included are the executive and administrative offices, the Office of Chief Counsel, information and data processing systems, the Citizens Advisory Council, the Environmental Quality Board and the Bureau of Laboratories. The Bureau of Laboratories provides analytical data which determines and identifies pollution levels in samples from any part of the environment. Samples from streams and lakes, solid wastes, drinking water, industrial

wastes and fish are analyzed for toxic chemicals. Milk, food, water and air are examined for radiation; water from supply systems, beaches and sewage treatment plants for bacteria; and water from homeowners for potability.

The Environmental Hearing Board was separated from the Department of Environmental Resources by Act 94 of 1988. It is included here for presentation purposes.

Program Measures

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Technical Support Services							
Inorganic analyses	789,765	800,000	800,000	800,000	800,000	800,000	800,000
Organic samples	5,723	5,800	5,800	5,800	5,800	5,800	5,800
Bacteriological analyses	25,863	25,000	25,000	25,000	25,000	25,000	25,000
Radiological samples	2,318	2,700	2,700	2,700	2,700	2,700	2,700

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>General Government Operations</p> <p>\$ 742 —to continue current program.</p> <p>–1,940 —nonrecurring items.</p> <p>\$ –1,198 Appropriation Decrease</p>	<p>Environmental Hearing Board</p> <p>\$ –41 —nonrecurring items.</p>
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Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
General Government Operations	\$ 17,914	\$ 20,970	\$ 19,772	\$ 20,583	\$ 21,283	\$ 22,092	\$ 22,954
Environmental Hearing Board	1,240	1,498	1,457	1,517	1,569	1,629	1,693
TOTAL GENERAL FUND	\$ 19,154	\$ 22,468	\$ 21,229	\$ 22,100	\$ 22,852	\$ 23,721	\$ 24,647

ENVIRONMENTAL PROTECTION

PROGRAM OBJECTIVE: To protect and improve the quality of the air, water and environment for the health and safety of the citizens of the Commonwealth, to protect the people from dangerous or unnecessary radiation from natural and man-made sources, including occupational and medical exposure and to manage water and mineral resources in a way which insures against their undue destruction and depletion while allowing economic benefits from their use.

Program: Environmental Protection and Management

This program encompasses the major program elements which protect the health and safety of the citizens of the Commonwealth as well as the quality of their environment. While protection of citizens and the environment is the highest priority, the Commonwealth's economic health and development are also major concerns.

Program Element: Air Pollution Control

Emissions of air contaminants from existing and future sources must be closely monitored and controlled by the Department of Environmental Protection in order to improve air quality as mandated by the Federal Clean Air Act. The goal of the program is to achieve the best air quality and meet State implementation requirements while providing for industrial growth and environmentally sound energy utilization.

Monitoring air quality occurs at two levels. Ambient monitoring measures overall air quality in an area. Source monitoring, by both operators and mobile teams from the department, is used to check individual sources of emissions. In addition, certain large facilities are required to have instruments installed which continuously monitor emissions, minimizing the risk of accidental release of large amounts of pollutants.

Permits and inspections are the primary regulatory means for ensuring that sources of emissions are designed, constructed and operated within standards. This means that plans for new construction, or modification, of a source of emission must be reviewed and approved by the department. Inspections are part of the application process for new and renewed operating permits. These inspections assure that the facility has been constructed and operated as designed. In addition, on-site inspections are made when investigating complaints and emergencies. The department uses compliance agreements and abatement orders to correct violations of air emission standards.

Also part of this element is the program controlling the removal of asbestos from public buildings. As required by Federal regulations, the department reviews plans for the management of asbestos in schools and regulates companies doing removal work, and oversees the safe disposal of the asbestos.

Program Element: Water Quality Management

Chronic surface and groundwater pollution problems in Pennsylvania originate from a variety of sources and are classified into two general categories: point and non-point sources. Point sources are those in which the polluting substances are conveyed into a body of water by a pipe or channel, most commonly sewage discharges, industrial waste discharges, and storm or combined sewage drainage. Non-point sources are generally diffused discharges, such as polluted groundwater, drainage from abandoned mines and agricultural runoff. A third, more acute, source of water pollution is the spills and accidents most often related to the storage and transportation of various materials.

Through its planning, permitting, surveillance and monitoring, enforcement and grants administration activities, this program carries out its duties and responsibilities for developing water quality standards for surface and ground water, regulating water pollution control facilities, and maintaining a Statewide surface and groundwater quality monitoring

program. In addition, the National Pollutant Discharge Elimination System (NPDES), a delegated Federal program under the Clean Water Act, has increased the responsibilities of the Commonwealth to permit and monitor beyond the requirements of State law including new requirements for permitting stormwater discharges and combined sewer overflows. The program also reviews plans for facilities and assists local governments in accommodating growth and development. The storage tank program for regulating both underground and above ground tanks is also part of this element. The department registers these storage tanks, and trains and certifies those companies and individuals who install and inspect tanks.

Program Element: Water Supply and Community Health

The major portion of this program element is concerned with providing the citizens of the Commonwealth with safe, clean drinking water by regulating public water systems. These systems provide drinking water to the majority of citizens of the Commonwealth. There are approximately 2,500 community water supplies in the Commonwealth serving 10 million residents and 8,000 non-community water systems generally serving restaurants, industries, schools and motels which must comply with standards. The department also provides some consultative services and inspections for the 700,000 domestic water supplies in Pennsylvania. Regulatory activities involve permitting and compliance, contaminant investigation and control, public education, and consultative services and inspections. The implementation of Federal and State statutes for the removal of lead from drinking water is also in this element.

In addition to regulating public drinking water systems, this program also inspects public bathing places, schools and seasonal farm labor camps for sanitary conditions. The Black Fly Control Program, by treating bodies of water in participating counties, reduces the black fly population and gives relief to the citizens and visitors of the Commonwealth.

The Emergency Management and Response Program is also part of this program element. It provides support and training to local firefighters and other emergency personnel at accidents and spills of hazardous and toxic materials.

Program Element: Municipal and Residual Waste

Of the 9.2 million tons of municipal solid waste generated annually in prior years in Pennsylvania, 95 percent was dumped in sanitary landfills, four percent was incinerated and only one percent was recycled. Act 101 of 1988, the Municipal Waste Planning, Recycling and Waste Reduction Act, addressed these problems. Counties have adopted waste management plans. Municipalities have implemented recycling programs. Communities in which landfills or waste-to-energy facilities are located have an active role in permitting and inspecting landfills and facilities to assure that these are being operated in a proper manner. In addition, the host community receives money from a tipping fee to use in any way it wishes. The department regulates new and existing landfills to ensure that they are designed, constructed and operated with minimal risk to nearby residents and to the environment. The goal of these efforts is to recycle 25 percent of Pennsylvania's municipal waste by 1998.

ENVIRONMENTAL PROTECTION

Program: Environmental Protection and Management (continued)

Act 93 of 1988 requires the regulation and control of the disposal of infectious (hospital) wastes. To do this, a manifest system tracks waste from generation until disposal. In addition, a system of inspections assures proper handling of infectious waste. Overall management is guided by revised regulations and a Statewide plan to address present and future needs for incineration and disposal.

Residual waste is non-hazardous materials from industrial, mining, commercial and other similar operations. Over 58 million tons are generated each year. A comprehensive set of new regulations for residual waste disposal sites was implemented in July 1992. These regulations require residual waste facilities to be permitted or re-permitted. Many have chosen to close, requiring the department to approve closure plans and to inspect them to assure that closures are done in an environmentally sound manner. This program encourages proper disposal and waste reduction, pollution prevention and beneficial use of waste materials to conserve resources and protect the environment.

Program Element: Hazardous Waste

Act 108 of 1988, the Hazardous Sites Cleanup Act, established a State program to cleanup hazardous waste sites not covered by the Federal Superfund Program. This program has two major parts. First is the identification, assessment and cleanup of existing sites where, in the past, hazardous wastes have been disposed in a manner which is a threat to the citizens and the environment. The identification and assessment of these sites is ongoing and actual cleanup has begun with funding coming from several possible sources. First, the department tries to identify the parties responsible for the situation and actively pursues legal actions to recover cleanup costs. Second, for those sites which are dangerous enough to qualify for the Federal Superfund Program, Federal funds are used. The department attempts to accelerate the rate of Federally funded projects, not only to speed remediation, but also to ensure that the Commonwealth receives its share of Superfund monies. The third source of cleanup funding is from several State sources. The Capital Stock/Franchise Tax Surcharge generates over \$30 million per year. Another \$2.5 million is generated from a hazardous waste fee system. This will allow a cleanup program separate from the Federal Superfund, addressing the cleanup of sites which do not qualify for the Federal program and the emergency cleanup of sites posing immediate health and safety hazards.

In addition to site cleanup, this program also controls the generation, treatment, storage, transportation and proper disposal of hazardous wastes in Pennsylvania. Pennsylvania is one of the leading producers of hazardous waste. The Commonwealth's industries annually generate 600,000 tons of hazardous waste, of which 550,000 tons are transported from the generating facility for disposal elsewhere.

Of major importance to economic development is the availability of hazardous waste storage, treatment and disposal facilities in the Commonwealth. Incentives are provided to communities which agree to host new commercial hazardous waste facilities. This is important not only to the health and safety of citizens, but also to the economic health of the Commonwealth.

Program Element: Regulation of Mining

The purpose of this program is to minimize adverse environmental impacts of active mining operations. This includes surface and deep coal mines, oil and gas well drilling, and mines for minerals other than coal.

Focusing on the important coal industry, regulatory activities are designed to assure proper land reclamation, prevent water and air pollution and protect the health and safety of the public. In the 1977 Federal Surface Mine Control and Reclamation Act, Congress recognized the national importance of an adequate program to control the adverse environmental impacts of mining. This legislation established a new set of standards for controlling subsidence, coal refuse disposal and surface effects of both underground and surface mines. To foster

a strong State role in this regulatory effort, the act provided for delegation by the Federal Government of primary enforcement responsibility (primacy). On July 31, 1982, Pennsylvania was delegated primary enforcement responsibility.

In addition to the environmental regulatory, inspection and compliance activities, this program element is also concerned with mine safety, both the safety of mine operations and the safety training of miners. The Bureau of Deep Mine Safety conducts mine safety training programs to minimize the number of accidents. Certification requirements for underground mine workers are also managed by this program thereby directly influencing the type and degree of expertise of personnel working in responsible positions underground.

The Bureau of Oil and Gas Management is responsible for administering laws and regulations covering the oil and gas industry in Pennsylvania. Through a permitting system for drilling activity, inspecting drilling and storage sites, and monitoring and enforcement actions, the program works toward protecting the environment and balancing conflicting interests of the oil, gas and coal industries.

Another aspect of this program is planning and design work to resolve environmental degradation and health and safety problems resulting from inactive and abandoned coal mines. This includes the reclamation of abandoned mines, abatement of acid mine drainage, control of underground mine fires and refuse bank fires, and control of surface subsidence from abandoned deep mines.

Another activity of the mining program is the offering of mine subsidence insurance to residential and small commercial owners of property and private structures. This insurance program is directed by the Coal and Clay Mine Subsidence Insurance Board. A special fund is administered by the board in which premium and investment income are deposited and from which insurance claims and costs are paid. The growth in the number and value of policies has steadily increased since the beginning of the fund. With increasing property values and public awareness, this trend is expected to continue. A cash flow statement for this fund is included in the appendix to this budget.

Program Element: Radiation Protection

This element utilizes several means to protect citizens from exposure to dangerous levels of radiation. One is the regulation, licensing and inspection of radiation source users. This involves registration of radiation producing equipment, licensing of users of radioactive materials and inspection of facilities to assure compliance with regulations.

The department also monitors the environment for radiation. This is done primarily in the vicinity of major users of radioactive materials, such as nuclear power plants. Ambient air is sampled continuously while milk produced on local farms and surface waters are sampled monthly and vegetation, fish and silt samples are collected at least annually. The radon surveillance and action program is also part of this activity, measuring levels in private dwellings, advising owners on remedial actions they can take, and conducting research for effective solutions. The department certifies radon testing and mitigation firms to protect the public from inaccurate test results and ineffective construction or remedial techniques.

Another protection activity is the routine inspection and oversight of nuclear power generating facilities in the Commonwealth. These are: Beaver Valley Power Station, Limerick Generating Station, Peach Bottom Atomic Power Station, Susquehanna Steam Electric Station and Three Mile Island Nuclear Station. An agreement with the U.S. Nuclear Regulatory Commission (NRC) allows State nuclear engineers to review and evaluate plant design and operations, participate in any NRC hearings and participate in routine NRC inspections.

The program also involves planning and emergency preparedness to protect citizens of the Commonwealth in the event of accidents involving radioactive materials at power plants and other facilities utilizing radioactive materials.

ENVIRONMENTAL PROTECTION

Program: Environmental Protection and Management (continued)

Safe disposal of low-level radioactive waste, that is the disposal of such items as contaminated filters, gloves and clothing from hospitals, industries and university research centers, is also a part of this program. (Spent nuclear fuel and similar highly radioactive materials are not included.) Since the Commonwealth is a major generator of these materials, a disposal site will be established within its borders. The Appalachian Low-Level Radioactive Waste Compact (Act 120 of 1985) committed Pennsylvania to establish a low-level radioactive waste disposal site for the four states in the compact — Delaware, Maryland, West Virginia and Pennsylvania. The Low-Level Radioactive Waste Disposal Act (Act 12 of 1988) establishes the criteria for the selection of a site, operation of a facility and transportation of wastes to the site.

Program Element: Management of Dams, Waterways and Wetlands

One objective of this element is to insure that the construction, operation and maintenance of dams meet standards in order to minimize the possibility of a dam failure. The Dam Safety and Encroachments Act (Act 325 of 1979) authorizes the department's regulation of dams and reservoirs to protect life, property and the environment. This involves the review of plans and specifications which accompany an application for a dam permit, the field inspection of construction of new dams, and inspection of existing dams to determine their general condition. There are approximately 3,200 dams under active permits in the Commonwealth. In addition, the department also regulates the construction and maintenance of any obstructions, encroachments and changes to the course and current of streams, as well as the related flood plains.

The protection of wetlands, the important natural resources vital to the environment, is also in this element. These areas maintain and improve water quality, sustain stream flow and provide habitat for many types of flora and fauna. It is the goal of this element to prevent the loss and degradation of the Commonwealth's wetlands.

Program Element: Flood Protection

To minimize the dangers of flood water, this element involves the construction of dams, levees, flood walls, channels and culverts by the Commonwealth. The program which provides financial assistance to communities sponsoring flood protection projects to be constructed by the Federal Government is also administered here. Stream improvement projects are also a responsibility. This activity is concerned with the maintenance and repair of existing streambeds and flood control projects.

Program Element: Water and Soil Conservation

Associated with the above element, the Storm Water Management Program administers Act 157 of 1978 which requires county and municipal governments to develop and implement plans to control storm water runoff, to control erosion and sedimentation, and to protect

groundwater recharge areas. This element, along with the Flood Plain Management Program, addresses that threat to rivers and property posed by storm runoff and flooding by advance planning, and controlling construction and development in flood plains and in areas which contribute to devastating storm runoff.

Closely linked with the management of water resources is the management of soil resources. Not only is valuable topsoil lost, but sedimentation from erosion and nutrients from farm lands are major non-point sources of water pollution, especially to the Chesapeake Bay.

Program Element: Energy Efficiency and Conservation

Increased energy efficiency, development and conservation opportunities are key elements in enhancing Pennsylvania's economic growth. The Pennsylvania Energy Office (PEO) has been charged with the responsibility of ensuring that these goals are met.

The PEO provides a variety of energy assistance to the citizens of the Commonwealth such as collecting, analyzing and disseminating data and information on energy supply, demand, consumption and prices. The PEO develops energy policies to foster conservation and efficiency improvements, energy development and a cleaner environment.

Act 122 of 1986 established the Energy Conservation and Assistance Fund (ECAAF) as a repository for all oil overcharge settlements. The act, as amended in 1987, provides a framework for determining allowable expenditures from the fund in accordance with the requirements of the terms and conditions of oil overcharge settlement agreements.

The Pennsylvania Supplemental Low-Income Energy Assistance Program offers energy assistance to low-income Pennsylvanians. The act states that at least 75 percent of the total appropriations are to be spent for this type of supplemental program. The Pennsylvania Energy Office uses the remaining 25 percent of the funds to supplement the Federal energy programs and other energy conservation and development projects which it undertakes.

Act 166 of 1992 provided for an alternative fuels grant program to be funded by a portion of the Utilities Gross Receipts Tax. The grants to school districts, municipal authorities, political subdivisions and other nonprofit entities are to fund 60 percent of the expenses incurred to retrofit vehicles to operate using alternative fuels or the additional costs incurred in purchasing vehicles manufactured specifically to operate on fuels other than gasoline. In addition, grants are to fund 60 percent of the cost to install equipment necessary to refuel the modified vehicles. In 1993-94, \$3.501 million was deposited to this account and the first grants will be awarded during 1994-95.

In addition, the Alternative Fuel Turnpike task force (a joint-venture between private and public entities) was created to build the infrastructure which will permit alternative fuel vehicles to refuel at designated turnpike rest stations along the length of the highway. As the first alternative fuel highway in the nation, it will provide the model for, and be the first link in, a National Security Highway System.

ENVIRONMENTAL PROTECTION

Program: Environmental Protection and Management (continued)

Program Measures

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Air Pollution Control							
Air emission operating permits in effect . . .	7,033	7,300	7,600	7,900	8,200	8,500	8,500
Air emission inspections performed	11,338	13,500	14,000	14,500	15,000	15,500	16,000

The program measure showing air emission inspections performed reflects a lower than expected number in 1993-94 due to severe winter weather.

Water Quality Management

Sewage and industrial waste discharge							
inspections	4,174	4,700	4,700	4,700	4,700	4,700	4,700
Permits issued for water pollution control facilities							
	1,583	1,500	1,500	1,500	1,500	1,500	1,500
Enforcement actions							
	354	300	300	300	300	300	300

The program measure showing sewage and industrial waste discharge inspections reflects a lower number in 1993-94 than estimated in last year's budget due to severe winter weather.

The increase from last year's budget in the number of enforcement actions reflects the increased use of consent assessments rather than the issuance of enforcement orders.

Water Supply and Community Health

Annual permits issued — seasonal farm labor camps							
	258	260	260	260	260	260	260
Residents of areas in Black Fly Suppression Program							
	2,250,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Inspections of public drinking water supplies							
	1,848	1,850	1,850	1,850	1,850	1,850	1,850

Inspections of public drinking water supplies is revised downward from last year's budget to reflect more accurate estimates now being provided by regional department personnel.

Municipal and Residual Waste

Municipal and residual waste facilities permitted							
	922	900	900	900	900	900	900
Percent of municipal waste disposal by methods other than landfills							
	37%	41%	44%	47%	50%	51%	51%

The program measure showing the number of municipal and residual waste facilities permitted increased from last year's budget as all revisions to permits are now included.

Hazardous Waste

Sites assessed for possible hazardous waste contamination							
	33	20	20	20	20	20	20
Completions of remedial or response actions on hazardous waste sites							
	15	17	17	17	17	17	17
Hazardous waste inspections performed							
	1,337	1,250	1,250	1,250	1,250	1,250	1,250
Hazardous waste sites permitted and licensed under Act 108							
	145	145	145	145	145	145	145

The program measure for sites assessed for possible hazardous waste contamination reflects an unusually high number of sites which were identified as requiring assessment in 1993-94.

ENVIRONMENTAL PROTECTION

Program: Environmental Protection and Management (continued)

Program Measures: (continued)

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Regulation of Mining							
Mine permit actions:							
Coal	1,720	1,700	1,680	1,650	1,630	1,600	1,600
Non-coal	390	400	400	400	400	400	400
Inspections:							
Complete coal inspections	11,476	11,500	11,300	11,200	11,100	11,000	11,000
Partial coal inspections	19,586	19,500	19,300	19,200	19,100	19,000	19,000
Non-coal inspections	3,766	3,700	3,700	3,700	3,700	3,700	3,700
Oil and gas field inspections	7,978	8,000	8,000	8,000	8,000	8,000	8,000
Mining enforcement orders issued	1,140	1,130	1,100	1,100	1,100	1,100	1,100
Mine subsidence insurance policies in effect	40,200	40,500	41,000	41,500	42,000	42,500	43,000
Employees trained in mine safety	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Abandoned mine sites designated as potential safety problems	1,535	1,495	1,455	1,415	1,375	1,335	1,295

The program measures for coal and non-coal mine permit actions have increased from last year's budget as permit renewals and transfers are now included.

The program measure showing oil and gas field inspections has been increased from last year's budget because of rising drilling and related activities requiring inspection.

Radiation Protection

Radiation user inspections performed	2,681	2,400	2,400	2,400	2,700	2,700	2,700
Users brought into compliance through inspections	828	750	400	400	400	400	400
Nuclear plant off-site samples	3,446	3,342	3,172	3,003	3,003	3,003	3,003
Cubic feet of low-level radioactive waste generated in Pennsylvania	52,720	47,000	45,000	45,000	45,000	45,000	45,000

The estimate of the cubic feet of low-level radioactive waste generated in Pennsylvania has been reduced from last year's budget to reflect a more recent estimate of the impact of future disposal costs. As disposal costs increase, the amount generated should decrease. Another factor causing the decrease is the reduction in available disposal sites.

Management of Dams, Waterways and Wetlands

Stormwater construction permits issued	1,632	2,000	2,000	2,000	2,000	2,000	2,000
Dam inspections	1,319	1,410	1,410	1,410	1,410	1,410	1,409

The number of stormwater construction permits issued has been reduced from last year's budget to reflect more recent estimates of permits issued.

The program measure showing dam inspections has been decreased from last year's budget to reflect lower estimates of construction activities.

Energy Efficiency and Conservation

Energy efficiency surveys	250	25	25	22	18	14	10
Institutional Conservation Program technical assistance studies	45	45	30	25	20	15	10
Institutional Conservation Program energy conservation measures funded by category:							
Schools	25	33	25	23	21	19	17
Hospital	10	10	10	7	5	4	3

ENVIRONMENTAL PROTECTION

Program: Environmental Protection and Management (continued)

Program Measures: (continued)

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
GREEN BUILDING Program:							
Buildings Retrofitted		1	3	3	3	3	3
Alternative Fuels Incentive Grant Program:							
Refueling stations		10	24	25	25	25	25
Vehicle conversions/new alternative fuel vehicles	25	300	200	200	200	200	200

The number of surveys, studies and projects as well as buildings retrofitted under the GREEN BUILDING Program reflect the availability of Federal and ECAF Funds.

Due to delay in review process of Alternative Fuels Incentive Grant Program regulations, applications could not be processed according to original timetables.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Environmental Program Management \$ 1,318 —to continue current programs including the Energy Office being transferred from the Executive Offices.</p> <p>Environmental Protection Operations \$ 3,489 —to continue current program.</p> <p>Chesapeake Bay Agricultural Source Abatement \$ 83 —to continue current program.</p> <p>Black Fly Control and Research \$ 80 —to continue current program.</p> <p>Abandoned Surface Mine Reclamation \$ 2,000 —Initiative — Abandoned Surface Mine Reclamation. To provide for the resumption of the reclamation of the pre-primacy bond forfeiture backlog.</p> <p>Low-Level Radioactive Waste Control \$ -54 —to continue current program.</p> <p>Flood Control Projects \$ -350 —to continue current program.</p> <p>Sewage Facilities Planning Grants \$ -800 —reduction in grant backlog.</p> <p>Sewage Facilities Enforcement Grants \$ 300 —to continue current program.</p> <p>Sewage Treatment Plant Operations Grants \$ -36,500 —this budget recommends elimination of this program.</p>	<p>Delaware River Master \$ 1 —to continue current level of participation.</p> <p>Ohio River Basin Commission \$ 1 —to continue current level of participation.</p> <p>Susquehanna River Basin Commission \$ 20 —to continue current level of participation.</p> <p>Interstate Commission on the Potomac River \$ 1 —to continue current level of participation.</p> <p>Delaware River Basin Commission \$ 94 —to continue current level of participation.</p> <p>Ohio River Valley Sanitation Commission \$ 14 —to continue current level of participation.</p> <p>Appalachian States Waste Compact \$ -21 —to continue current level of participation.</p> <p>Center for Hazardous Materials Research \$ -300 —nonrecurring item.</p> <p>Energy Development Authority \$ -300 —this budget recommends elimination of this program which was in the Executive Offices.</p> <p>Small Water System Regionalization \$ 200 —increase in grant program.</p> <p>ENERGY CONSERVATION AND ASSISTANCE FUND:</p> <p>Energy Conservation Programs \$ 33 —to continue current projects. (This program transferred from the Executive Offices.)</p>
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All other appropriations in this program are either recommended at current program levels or are nonrecurring programs.

This budget reflects the transfer of food-site inspections to the Department of Agriculture, and all funding sources have been adjusted accordingly.

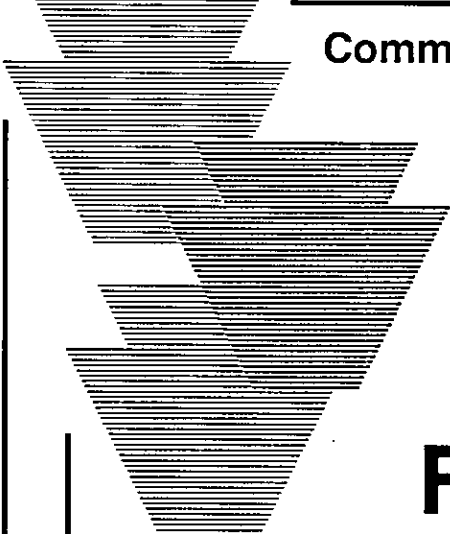
In addition, this budget recommends \$195,000 in Federal funding for the certification of the safety and quality of mammography equipment. Also recommended is funding for reducing the amount of acid mine drainage at eligible sites.

ENVIRONMENTAL PROTECTION

Program: Environmental Protection and Management (continued)

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Environmental Program Management	\$ 28,050	\$ 30,289	\$ 31,607	\$ 32,903	\$ 34,021	\$ 35,314	\$ 36,691
Environmental Protection Operations	49,828	56,866	60,355	62,830	64,966	67,435	70,065
Chesapeake Bay Agricultural Source							
Abatement	2,977	2,986	3,069	3,195	3,304	3,430	3,564
Black Fly Control and Research	2,615	2,671	2,751	2,864	2,961	3,074	3,194
Abandoned Surface Mine Reclamation			2,000	2,000	2,000	2,000	2,000
Low Level Radioactive Waste Control	1,850	1,600	1,546	1,546	1,546	1,546	1,546
Flood Control Projects	295	650	300	300	300	300	300
Storm Water Management	595	595	595	595	595	595	595
Sewage Facilities Planning Grants	3,000	2,800	2,000	2,000	2,000	2,000	2,000
Sewage Facilities Enforcement Grants	2,722	2,500	2,800	2,800	2,800	2,800	2,800
Sewage Treatment Plant Operations							
Grants	34,600	36,500					
Delaware River Master	73	80	81	81	81	81	81
Ohio River Basin Commission	9	10	11	11	11	11	11
Susquehanna River Basin Commission	310	340	360	360	360	360	360
Interstate Commission on the Potomac							
River	32	34	35	35	35	35	35
Delaware River Basin Commission	897	884	978	978	978	978	978
Ohio River Valley Water Sanitation							
Commission	125	125	139	139	139	139	139
Chesapeake Bay Commission	235	235	235	235	235	235	235
Local Soil and Water District Assistance	1,500	2,225	2,225	2,225	2,225	2,225	2,225
Nutrient Management Fund		750	750	750	750	750	750
Interstate Mining Commission	15	17	17	17	17	17	17
Appalachian States Waste Compact	117	117	96	96	96	96	96
Center for Hazardous Materials Research		300					
Energy Development Authority	300	300					
Small Water System Regionalization	96	300	500	500	500	500	500
TOTAL GENERAL FUND	\$ 130,241	\$ 143,174	\$ 112,450	\$ 116,460	\$ 119,920	\$ 123,921	\$ 128,182
ENERGY CONSERVATION AND ASSISTANCE FUND:							
Energy Conservation Programs	\$ 3,000	\$ 117	\$ 150				



Commonwealth of Pennsylvania

Fish and Boat Commission

The Fish and Boat Commission administers and enforces the fishing and boating laws of the Commonwealth and provides for the protection and propagation of aquatic life.

FISH AND BOAT COMMISSION

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
<i>GRANTS AND SUBSIDIES:</i>			
Atlantic States Marine Fisheries Commission	\$ 9	\$ 9	\$ 9
BOAT FUND			
<i>GENERAL GOVERNMENT:</i>			
General Operations (EA)	\$ 6,304	\$ 6,836	\$ 6,994
(F) U.S. Coast Guard Grant — Boating Safety	937	771	175
(F) Sport Fish Restoration	302	299	235
(F) Clean Vessels .....	...	263	100
(A) Sale of Vehicles	26	10	15
STATE FUNDS	\$ 6,304	\$ 6,836	\$ 6,994
FEDERAL FUNDS	1,239	1,333	510
AUGMENTATIONS	26	10	15
BOAT FUND TOTAL	\$ 7,569	\$ 8,179	\$ 7,519
FISH FUND			
<i>GENERAL GOVERNMENT:</i>			
General Operations (EA)	\$ 21,628	\$ 22,452	\$ 19,679
(F) Sport Fish Restoration	4,752	5,741	4,948
(F) Mid-Atlantic Management Council	9	8	8
(F) Surface Mine Regulation	43	36	38
(F) NOAA	14	80	210
(A) Sale of Vehicles	53	55	25
(A) Reimbursement for Services — Boat Fund .....	...	...	...
(A) Reimbursement for Services — PennDOT	35	50	50
(A) Reimbursement—Texas Eastern .....	...	4	4
STATE FUNDS	\$ 21,628	\$ 22,452	\$ 19,679
FEDERAL FUNDS	4,818	5,865	5,204
AUGMENTATIONS	88	109	79
FISH FUND TOTAL	\$ 26,534	\$ 28,426	\$ 24,962
OTHER FUNDS:			
<i>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</i>			
Fishing and Boating Access Areas .....	....	\$ 500	\$ 963
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 9	\$ 9	\$ 9
SPECIAL FUNDS	27,932	29,288	26,673
FEDERAL FUNDS	6,057	7,198	5,714
AUGMENTATIONS	114	119	94
OTHER FUNDS .....	....	500	963
TOTAL ALL FUNDS	\$ 34,112	\$ 37,114	\$ 33,453

* Not added to avoid double counting; 1993-94 Actual is \$7,569,000, 1994-95 Available is \$8,179,000, and 1995-96 Budget is \$7,519,000.

FISH AND BOAT COMMISSION

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
RECREATIONAL FISHING AND BOATING							
General Funds.....	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9
Special Funds.....	27,932	29,288	26,673	27,213	27,709	28,215	28,720
Federal Funds.....	6,057	7,198	5,714	5,396	5,431	5,468	5,503
Other Funds.....	114	619	1,057	94	99	64	54
TOTAL.....	\$ 34,112	\$ 37,114	\$ 33,453	\$ 32,712	\$ 33,248	\$ 33,756	\$ 34,286
ALL PROGRAMS:							
GENERAL FUND.....	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9	\$ 9
SPECIAL FUNDS.....	27,932	29,288	26,673	27,213	27,709	28,215	28,720
FEDERAL FUNDS.....	6,057	7,198	5,714	5,396	5,431	5,468	5,503
OTHER FUNDS.....	114	619	1,057	94	99	64	54
TOTAL.....	\$ 34,112	\$ 37,114	\$ 33,453	\$ 32,712	\$ 33,248	\$ 33,756	\$ 34,286

FISH AND BOAT COMMISSION

PROGRAM OBJECTIVE: To conserve aquatic resources including fish and wildlife populations, to provide recreational opportunities for fishing and boating on Commonwealth waters, and to promote safe recreational use of these aquatic resources.

Program: Recreational Fishing and Boating

The Fish and Boat Commission is responsible for the enforcement of the fishing and boating laws and regulations, registration of boats, the State boating and water safety education programs, and the management and promotion of recreational boating. The Boating Advisory Board, a group of knowledgeable boaters appointed by the Governor, advises the commission on boating matters.

In addition to recreational boating, the commission is responsible for recreational fishing in the Commonwealth. This includes fish

propagation, stocking, fisheries environmental services, the cooperative nurseries program, research and fish management. The commission also provides for the development, improvement and maintenance of facilities for lake and access areas. As water quality is a major factor in aquatic recreation, the commission responds to the need for environmental safeguards and closely monitors the water quality of many streams, lakes and rivers in the Commonwealth.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Fishing licenses sold	1,062,274	1,116,000	1,084,000	1,895,250	1,108,500	1,119,750	1,131,000
Pounds of fish stocked in Commonwealth streams and lakes	2,593,760	2,650,000	2,650,000	2,650,000	2,650,000	2,650,000	2,650,000
Boats registered	312,000	317,000	322,000	327,000	332,000	337,000	342,000

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)


BOAT FUND:	
General Government Operations	
\$ -12	—nonrecurring items.
170	—to continue current program.
<u>\$ 158</u>	<i>Executive Authorization Increase</i>

FISH FUND:	
General Government Operations	
\$ -613	—nonrecurring items.
-2,160	—reflects reduced level of program expenditures based upon current revenue projections.
<u>\$ -2,773</u>	<i>Executive Authorization Decrease</i>

The Atlantic States Marine Fisheries Commission appropriation is continued at the current level of participation.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Atlantic States Marine Fisheries Commission							
	<u>\$ 9</u>	<u>\$ 9</u>	<u>\$ 9</u>	<u>\$ 9</u>	<u>\$ 9</u>	<u>\$ 9</u>	<u>\$ 9</u>
BOAT FUND:							
General Operations							
	<u>\$ 6,304</u>	<u>\$ 6,836</u>	<u>\$ 6,994</u>	<u>\$ 7,281</u>	<u>\$ 7,529</u>	<u>\$ 7,815</u>	<u>\$ 8,120</u>
FISH FUND:							
General Operations							
	<u>\$ 21,628</u>	<u>\$ 22,452</u>	<u>\$ 19,679</u>	<u>\$ 19,932</u>	<u>\$ 20,180</u>	<u>\$ 20,400</u>	<u>\$ 20,600</u>



Commonwealth of Pennsylvania

Game Commission

The Game Commission administers and enforces the game laws of the Commonwealth and provides for the protection and propagation of wildlife.

GAME COMMISSION

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
<u>GAME FUND</u>			
GENERAL GOVERNMENT:			
General Operations	\$ 43,901	\$ 50,668	\$ 50,261
(F) Pittman-Robinson Act Reimbursements	6,081	6,010	6,000
(F) Endangered Species	23	10	10
(F) Surface Mine Regulatory Program	34	35	35
(A) Sale of Vehicles	135	130	130
(A) Pennsylvania Conservation Corps	93	54	50
(A) Donations	83	8	8
(A) Youth Shooting Sports	7	6	6
(A) Stream Bank Fencing	392	....	5
Subtotal — Federal Funds	\$ 6,138	\$ 6,055	\$ 6,045
Subtotal — Augmentations	710	198	199
Total — General Government Operations	\$ 50,749	\$ 56,921	\$ 56,505
Land Acquisition and Development	129	3,000	1,800
(F) Pittman-Robinson Act Reimbursements	1,823	396	....
(F) Federal Land and Water Development Fund .....	....	169	....
(A) Donations — Land Acquisition	4	....	....
Total — Land Acquisition and Development	\$ 1,956	\$ 3,565	\$ 1,800
STATE FUNDS	\$ 44,030	\$ 53,668	\$ 52,061
FEDERAL FUNDS	7,961	6,620	6,045
AUGMENTATIONS	714	198	199
GAME FUND TOTAL	\$ 52,705	\$ 60,486	\$ 58,305
 <u>OTHER FUNDS</u>			
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:			
Land Acquisition and Development .....	....	\$ 1,463	\$ 1,463
 DEPARTMENT TOTAL — ALL FUNDS			
STATE FUNDS	\$ 44,030	\$ 53,668	\$ 52,061
FEDERAL FUNDS	7,961	6,620	6,045
AUGMENTATIONS	714	198	199
OTHER FUNDS .....	....	1,463	1,463
TOTAL ALL FUNDS	\$ 52,705	\$ 61,949	\$ 59,768

GAME COMMISSION

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
WILDLIFE MANAGEMENT							
General Funds.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Special Funds.....	44,030	53,668	52,061	51,324	52,864	44,776	42,799
Federal Funds.....	7,961	6,620	6,045	6,045	6,045	6,045	6,045
Other Funds.....	714	1,661	1,662	206	213	220	228
TOTAL.....	\$ 52,705	\$ 61,949	\$ 59,768	\$ 57,575	\$ 59,122	\$ 51,041	\$ 49,072
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	44,030	53,668	52,061	51,324	52,864	44,776	42,799
FEDERAL FUNDS.....	7,961	6,620	6,045	6,045	6,045	6,045	6,045
OTHER FUNDS.....	714	1,661	1,662	206	213	220	228
TOTAL.....	\$ 52,705	\$ 61,949	\$ 59,768	\$ 57,575	\$ 59,122	\$ 51,041	\$ 49,072

GAME COMMISSION

PROGRAM OBJECTIVE: To establish habitats and environments which will sustain wildlife populations for recreational uses and for the perpetuation of species.

Program: Wildlife Management

The main responsibility of the Game Commission is the perpetuation of the species of wildlife found in Pennsylvania. While those species considered game animals, such as deer, turkey and bear, receive the most attention, others (river otters, osprey, peregrine falcons and eagles, both bald and golden) are also the focus of programs for endangered and threatened species. More common species are not ignored; they receive the protection mandated in the Game and Wildlife Code and are recognized as part of the natural balance.

Enforcement of the provisions of this code is critical; however, the primary means of ensuring the propagation and preservation of wildlife is properly managed land and game habitat. Currently the commission administers over 1.3 million acres of public property, the State Game Lands, and is judiciously acquiring additional lands, focusing on critically important wetlands. The commission also has cooperative programs to encourage good land management and habitat improvement by private landowners, thereby stimulating hunting on private lands.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Hunting licenses sold	1,130,090	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000
Deer taken	408,694	400,000	390,000	380,000	370,000	360,000	350,000
Arrests for violation of game laws	9,907	10,000	10,000	10,000	10,000	10,000	10,000

The program measure for the number of deer taken in 1993-94 is higher than estimated in last year's budget due to an increase in the number of licenses issued and because of weather being more conducive to hunting.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	General Operations
\$ -953	—nonrecurring projects.
546	—to continue current program.
\$ -407	Executive Authorization Decrease

The Land Acquisition and Development executive authorization is for continuation of payments on land acquired in 1994-95.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GAME FUND:							
General Operations	\$ 43,901	\$ 50,668	\$ 50,261	\$ 51,324	\$ 52,864	\$ 44,776	\$ 42,799
Land Acquisition and Development	129	3,000	1,800				
TOTAL GAME FUND	\$ 44,030	\$ 53,668	\$ 52,061	\$ 51,324	\$ 52,864	\$ 44,776	\$ 42,799



Commonwealth of Pennsylvania

Department of General Services

The Department of General Services administers the leasing, purchasing, transportation, construction, repair and maintenance services for all agencies of the Commonwealth.

GENERAL SERVICES

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 39,943 ^a	\$ 40,396 ^a	\$ 53,897
(A) Employees Group Life Insurance	60	60	60
(A) Federal Surplus Property	854	1,230	1,160
(A) State Buildings Use	1,812	1,755	1,701
(A) Sound Equipment	23	25	25
(A) Employee Liability Self Insurance Program .....	....	89	92
(A) Newsroom Services	10	12	12
(A) Computer Services	57	100	100
(A) Plans Forfeiture	78	75	75
(A) Media Center Reimbursements	773	816	807
(A) GSA Fiscal Function .....	....	42	42
(A) Recycling Program	192	192	192
(A) Services Provided Other Agencies — Travel	175	154	154
(A) Capital Facilities Administration	8,057	10,688	....
(F) Winter Storm Disaster Aid .....	....	60	....
Total — General Government Operations	<u>\$ 52,034</u>	<u>\$ 55,694</u>	<u>\$ 58,317</u>
Capitol Police Operations	5,069	5,555	6,034
(A) Capitol Police Services	24	20	20
Utility Costs	11,660	12,196	10,061
Harristown Rental Charges	6,636	6,571	6,558
Harristown Utility and Municipal Charges	9,435	8,669	8,962
Printing the Pennsylvania Manual .....	....	185	....
Americans with Disabilities Act Facilities Improvements .....	....	....	3,000
Asbestos Response	450	450	450
Excess Insurance Coverage	535	601	661
Subtotal — State Funds	<u>\$ 73,728</u>	<u>\$ 74,623</u>	<u>\$ 89,623</u>
Subtotal — Federal Funds .....	....	60	....
Subtotal — Augmentations	12,115	15,258	4,440
Total — General Government	<u>\$ 85,843</u>	<u>\$ 89,941</u>	<u>\$ 94,063</u>
GRANTS AND SUBSIDIES:			
Capitol Fire Protection	\$ 531	\$ 531	\$ 531
Federal Surplus Pilot Project — SW Pennsylvania	250	250	....
Total — Grants and Subsidies	<u>\$ 781</u>	<u>\$ 781</u>	<u>\$ 531</u>
STATE FUNDS	\$ 74,509	\$ 75,404	\$ 90,154
FEDERAL FUNDS .....	....	60	....
AUGMENTATIONS	12,115	15,258	4,440
GENERAL FUND TOTAL	<u><u>\$ 86,624</u></u>	<u><u>\$ 90,722</u></u>	<u><u>\$ 94,594</u></u>

^a Excludes \$73,000 for discontinued interagency billing.

GENERAL SERVICES

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts In Thousands) 1994-95 Available	1995-96 Budget
<u>MOTOR LICENSE FUND</u>			
<i>GENERAL GOVERNMENT:</i>			
Harristown Rental Charges .....	....	\$ 82	\$ 95
Harristown Utility and Municipal Charges .....	....	130	140
Total General Government .....	....	\$ 212	\$ 235
 <i>GRANTS AND SUBSIDIES:</i>			
Tort Claim Payments	\$ 25,000	\$ 27,000	\$ 27,000
MOTOR LICENSE FUND TOTAL	\$ 25,000	\$ 27,212	\$ 27,235
 <u>BANKING DEPARTMENT FUND</u>			
<i>GENERAL GOVERNMENT:</i>			
Harristown Rental Charges	\$ 162	\$ 162	\$ 159
Harristown Utility and Municipal Charges	186	191	192
BANKING DEPARTMENT FUND TOTAL	\$ 348	\$ 353	\$ 351
 <u>LOTTERY FUND</u>			
<i>GENERAL GOVERNMENT:</i>			
Harristown Rental Charges	\$ 92	\$ 72	\$ 82
Harristown Utility and Municipal Charges	121	113	122
LOTTERY FUND TOTAL	\$ 213	\$ 185	\$ 204
 <u>OTHER FUNDS</u>			
<i>REVENUE SHARING TRUST FUND:</i>			
Moving and Relocation Expenses	\$ 101	\$ 2	....
OTHER FUNDS TOTAL	\$ 101	\$ 2	....
 DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 74,509	\$ 75,404	\$ 90,154
SPECIAL FUNDS	25,561	27,750	27,790
FEDERAL FUNDS .....	....	60	....
AUGMENTATIONS	12,115	15,258	4,440
OTHER FUNDS	101	2	....
TOTAL ALL FUNDS	\$ 112,286	\$ 118,474	\$ 122,384

GENERAL SERVICES

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
FACILITY, PROPERTY AND COMMODITY MANAGEMENT							
General Funds.....	\$ 74,509	\$ 75,404	\$ 90,154	\$ 90,284	\$ 92,829	\$ 96,099	\$ 99,179
Special Funds.....	25,561	27,750	27,790	27,812	27,826	27,841	27,857
Federal Funds.....	0	60	0	0	0	0	0
Other Funds.....	12,216	15,260	4,440	4,549	4,563	4,553	4,561
TOTAL.....	\$ 112,286	\$ 118,474	\$ 122,384	\$ 122,645	\$ 125,218	\$ 128,493	\$ 131,597
ALL PROGRAMS:							
GENERAL FUND.....	\$ 74,509	\$ 75,404	\$ 90,154	\$ 90,284	\$ 92,829	\$ 96,099	\$ 99,179
SPECIAL FUNDS.....	25,561	27,750	27,790	27,812	27,826	27,841	27,857
FEDERAL FUNDS.....	0	60	0	0	0	0	0
OTHER FUNDS.....	12,216	15,260	4,440	4,549	4,563	4,553	4,561
TOTAL.....	\$ 112,286	\$ 118,474	\$ 122,384	\$ 122,645	\$ 125,218	\$ 128,493	\$ 131,597

GENERAL SERVICES

PROGRAM OBJECTIVE: To maintain the Commonwealth's real property and facilities; to provide Commonwealth agencies with quality commodities in a timely manner; and to settle tort claims in an equitable manner while reducing risks.

Program: Facility, Property and Commodity Management

This program provides for management of the buildings and grounds including police services for the Capitol Complex in Harrisburg and the State office buildings in Philadelphia, Pittsburgh, Scranton and Reading. The department also manages the acquisition and utilization of space and facilities by State agencies and provides agencies with commodities that conform to accepted standards of quality.

This program is also responsible for preparing plans, designs, surveys and specifications for all State construction projects. All projects are closely monitored to ensure compliance with State laws and building codes.

This program handles tort claims, in conjunction with the Attorney General's Office, brought against the Commonwealth, its officials and employees. Act 152 of 1978 as amended reaffirmed the Commonwealth's use of sovereign immunity as a defense against tort claims, but established criteria for limited amounts of liability in nine specific areas:

vehicle liability; medical professional liability; personal property; Commonwealth real estate; potholes and other dangerous conditions; care, custody and control of domestic animals; liquor store sales; National Guard activities; and toxoids and vaccines. Claims in the pre-litigation stage are investigated by the department, while the Office of Attorney General defends those claims in litigation. In 1992, four Pennsylvania Supreme Court decisions were issued which the Attorney General's Office believes will substantially increase the payments for tort claims.

The assessment of the asbestos danger in Commonwealth-owned buildings will be continued in 1994-95. The hazard potential for areas where asbestos is present will be calculated and abatement costs estimated.

This program also provides funding to purchase catastrophic property insurance on Commonwealth-owned buildings.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Value of Federal surplus property (in thousands):							
Available June 30	\$5,100	\$5,200	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500
Distributed	\$12,800	\$13,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Capital facilities projects in design and/or construction	619	619	619	619	619	619	619
Value (in thousands)	\$1,595,585	\$1,550,000	\$1,550,000	\$1,550,000	\$1,550,000	\$1,550,000	\$1,550,000
Tort claims filed	10,737	8,686	8,859	9,214	9,582	9,966	10,364
Tort claims closed (includes settlements, judgements and denials)	9,710	7,982	8,301	8,550	8,807	9,071	9,343
Tort claims pending	10,688	11,392	11,949	12,613	13,388	14,282	15,303
Amount of claims pending (in thousands)	\$255,142	\$278,105	\$303,134	\$324,354	\$347,058	\$371,352	\$397,347

Less Federal surplus property was distributed to agencies than projected in last year's budget, because there was less high quality property available from the Federal government. This situation also resulted in a larger inventory than expected at year end.

The number of tort claims filed and closed was higher than expected primarily due to the second straight severe winter which contributed to an unusually high number of highway accident claims.

The dollar value of tort claims pending was lower than projected in last year's budget, because the percentage of small claims was much higher than it had been in prior years.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	GENERAL FUND:			
	General Government Operations			Utility Costs
\$ 2,813	—to continue current program.	\$ -2,135		—to continue current program.
10,688	—to replace Capital Facilities Fund contribution for administrative services.	\$ -13		Harristown Rental Charges
				—to continue current program.
\$ 13,501	<i>Appropriation Increase</i>	\$ 293		Harristown Utility and Municipal Charges
				—to continue current program.
	Capitol Police Operation			Pennsylvania Manual
\$ 479	—to continue current program.	\$ -185		—biennial printing costs.

GENERAL SERVICES

Program: Facility, Property and Commodity Management (continued)

Program Recommendations: (continued)


This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND: (continued)		LOTTERY FUND:	
	Americans With Disabilities Facilities Improvements	\$ 10	Harristown Rental Charges
\$ 3,000	—for renovations to Commonwealth owned facilities to comply with the Americans with Disabilities Act.		—to continue current program.
		\$ 9	Harristown Utility and Municipal Charges
			—to continue current program.
	Excess Insurance Coverage		MOTOR LICENSE FUND:
\$ 60	—to continue current program.	\$ 13	Harristown Rental Charges
			—to provide prorata share of charges.
	Federal Surplus Pilot Project — SW Pennsylvania	\$ 10	Harristown Utility and Municipal Charges
\$ -250	—nonrecurring project.		—to provide prorata share of charges.
	BANKING DEPARTMENT FUND:		
	Harristown Rental Charges		
\$ -3	—to continue current program.		
	Harristown Utility and Municipal Charges		
\$ 1	—to continue current program.		

All other programs are recommended to be continued at the current levels.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
General Government Operations	\$ 39,943	\$ 40,396	\$ 53,897	\$ 56,107	\$ 58,015	\$ 60,220	\$ 62,569
Capitol Police Operations	5,069	5,555	6,034	6,281	6,495	6,742	7,005
Utility Costs	11,660	12,196	10,061	10,363	10,674	10,994	11,324
Harristown Rental Charges	6,636	6,571	6,558	6,560	6,560	6,564	6,568
Harristown Utility and Municipal Charges	9,435	8,669	8,962	9,119	9,393	9,675	9,965
Printing the Pennsylvania Manual		185		185		185	
Americans with Disabilities Facilities Improvements			3,000				
Excess Insurance Coverage	535	601	661	688	711	738	767
Capitol Fire Protection	531	531	531	531	531	531	531
Asbestos Response Program	450	450	450	450	450	450	450
Federal Surplus Pilot Project — Southwest Pennsylvania	250	250					
TOTAL GENERAL FUND	\$ 74,509	\$ 75,404	\$ 90,154	\$ 90,284	\$ 92,829	\$ 96,099	\$ 99,179
BANKING DEPARTMENT FUND							
Harristown Rental Charges	\$ 162	\$ 162	\$ 159	\$ 159	\$ 159	\$ 159	\$ 160
Harristown Utility and Municipal Charges	186	191	192	198	204	210	216
TOTAL BANKING DEPARTMENT FUND	\$ 348	\$ 353	\$ 351	\$ 357	\$ 363	\$ 369	\$ 376
LOTTERY FUND							
Harristown Rental Charges	\$ 92	\$ 72	\$ 82	\$ 82	\$ 82	\$ 82	\$ 82
Harristown Utility and Municipal Charges	121	113	122	130	134	138	142
TOTAL STATE LOTTERY FUND	\$ 213	\$ 185	\$ 204	\$ 212	\$ 216	\$ 220	\$ 224
MOTOR LICENSE FUND							
Harristown Rental Charges		\$ 82	\$ 95	\$ 94	\$ 94	\$ 94	\$ 94
Harristown Utility and Municipal Charges		130	140	149	153	158	163
Tort Claim Payments	\$ 25,000	27,000	27,000	27,000	27,000	27,000	27,000
TOTAL MOTOR LICENSE FUND	\$ 25,000	\$ 27,212	\$ 27,235	\$ 27,243	\$ 27,247	\$ 27,252	\$ 27,257



Commonwealth of Pennsylvania

Department of Health

The Department of Health is responsible for planning and coordinating health resources in the Commonwealth. In addition, the department provides some direct public health services, including programs for children, treatment for certain blood diseases, programs for communicable diseases and subsidies for research and development.

The Secretary of Health receives assistance and information from approximately fifty advisory groups, including the Advisory Health Board, the Drug, Device and Cosmetic Board, the Advisory Committee for Clinical Laboratories, the Health Policy Board, the Hearing Aid Advisory Council, and the Advisory Council on Drug and Alcohol Abuse.

Summary by Fund and Appropriation

GENERAL FUND	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL GOVERNMENT:			
General Government and Operations	\$ 11,048 *	\$ 11,852 *	\$ 12,602
(F) WIC Administration and Operations .....	.....	.....	8,661
(F) Categorical Grant Administration .....	.....	.....	1,046
(F) PHHSBG — Diabetes Task Force	549	731	731
(F) Diabetes Control	186	264	275
(F) SSA (XVI) D & A Referral/Monitoring	55	402	403
(F) Health Assessment	359	513	497
(F) PHHSBG Administration	497	650	.....
(F) PHHSBG Administration and Operations .....	.....	.....	1,573
(F) SABG — Administration	1,609	1,669	2,100
(F) MCHSBG Administration	1,686	1,996	.....
(F) MCHSBG — Administration and Operations .....	.....	.....	12,085
(F) Traffic Safety Data	481	135	.....
(F) State Legalization Impact Assistance Grant	33	.....	.....
(F) Early Childhood Immunization Program	204	500	.....
(F) Center for Disease Control Conferences .....	.....	80	80
(A) Data Center Services	3,601	3,576	3,400
(A) Departmental Services	60	78	59
(A) Early Childhood Immunization-Bulk Purchase	69	100	.....
Subtotal — Federal Funds	\$ 5,659	\$ 6,940	\$ 27,451
Subtotal — Augmentations	3,730	3,754	3,459
Total — General Government Operations	\$ 20,437	\$ 22,546	\$ 43,512
Arthritis and Lupus Research	233	233	.....
Renal Dialysis Management .....	.....	460	581
Childhood Fatality Review Task Force	20	.....	.....
Diabetes Task Force	407	457	.....
TMI — Health Studies	197	201	.....
Quality Assurance	4,543	5,986	5,986
(F) Medicare — Health Service Agency Certification	6,018	6,024	6,025
(F) Medicaid Certification	4,122	4,582	5,516
(F) Civil Rights Compliance .....	.....	.....	119
(A) Medicaid/Civil Rights .....	.....	.....	119
(A) Medicaid Certification — State	15	805	681
(A) Inpatient Psychiatric Unit Surveys	78	46	46
(A) Publication Fees	12	12	10
(A) ICF/MR Reviews	814	600	502
Subtotal — Federal Funds	\$ 10,140	\$ 10,606	\$ 11,660
Subtotal — Augmentations	919	1,463	1,358
Total — Quality Assurance	\$ 15,602	\$ 18,055	\$ 19,004
Vital Statistics	4,931	5,414	5,875
(F) Cooperative Health Statistics	833	1,986	2,671
(F) Drake Health Registry	91	122	.....
(A) Reimbursement for Microfilming	56	60	60
Subtotal — Federal Funds	\$ 924	\$ 2,108	\$ 2,671
Subtotal — Augmentations	56	60	60
Total — Vital Statistics	\$ 5,911	\$ 7,582	\$ 8,606
State Laboratory	3,098	2,962	3,150
(F) Training Network for State Labs .....	.....	10	.....
(F) Clinical Laboratory Improvement	285	600	600
(A) Blood Lead Testing	10	15	15
(A) Blood Lead Specimen Testing	65	.....	.....
(A) Erythrocyte Protoporphyrin Testing	9	9	9
(A) Reproduction and Search Fees	7	2	2
(A) Alcohol Proficiency Testing	64	68	68
(A) Drug Abuse Proficiency	101	90	90

* Excludes \$69,000 for discontinued interagency billing.

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
GENERAL GOVERNMENT: (continued)			
State Laboratory (continued)			
(A) Licensure for Clinical Laboratories	\$ 379	\$ 379	\$ 379
(A) Low Volume Proficiency Testing	72	....	....
(A) Training Course Fees	2	....	....
Subtotal — Federal Funds	\$ 285	\$ 610	\$ 600
Subtotal — Augmentations	709	563	563
Total — State Laboratory	\$ 4,092	\$ 4,135	\$ 4,313
Primary Health Care Practitioner	3,233	5,573	5,573
(F) Loan Repayment Program	82	179	324
(F) Community & Migrant Health	122	169	212
(A) Robert Wood Johnson Foundation Grant	59	267	267
Subtotal — Federal Funds	\$ 204	\$ 348	\$ 536
Subtotal — Augmentations	59	267	267
Total — Primary Health Care Practitioner	\$ 3,496	\$ 6,188	\$ 6,376
State Health Care Centers	14,699	16,181	16,606
(F) Indochinese Refugees	46	61	60
(F) Disease Control Immunization	2,521	12,855	6,013
(F) Chronic Disease Prevention & Control	46	84	144
(F) PHHSBG — Block Program Services	5,087*	6,694	6,501
(F) Medical Assistance — SHCC	3	2	2
(A) Early Periodic Screening, Diagnosis, Treatment	17	20	23
(A) Medical Assistance — SHCC	1	1	2
(A) Departmental Services	17	19	21
Subtotal — Federal Funds	\$ 7,703	\$ 19,696	\$ 12,720
Subtotal — Augmentations	35	40	46
Total — State Health Care Centers	\$ 22,437	\$ 35,917	\$ 29,372
Cancer Programs	4,365	4,777	4,777
(F) Data-Based Intervention Research	153	70	50
(F) Breast & Cervical Cancer Program	362	2,497	2,497
(F) Tobacco Control	30	300	355
Subtotal — Federal Funds	\$ 545	\$ 2,867	\$ 2,902
Total — Cancer Programs	\$ 4,910	\$ 7,644	\$ 7,679
Occupational Disease Study	60	68	79
Vietnam Veterans Health Initiative Commission	174	185	168
AIDS Programs	5,329	7,400	7,400
(F) AIDS Health Education	3,196	4,678	6,724
(F) HIV Care	2,763	4,900	5,500
(F) Housing Opportunities for People with AIDS	534	1,060	2,000
(A) Special Services	415	....	....
Subtotal — Federal Funds	\$ 6,493	\$ 10,638	\$ 14,224
Subtotal — Augmentations	415	....	....
Total — AIDS Programs	\$ 12,237	\$ 18,038	\$ 21,624
Coal Workers Pneumoconiosis Services	251	200	200
(F) Black Lung Clinic	458	747	677
Total — Coal Workers Pneumoconiosis Services	\$ 709	\$ 947	\$ 877

* Actually appropriated as Hypertension Services, \$1,992,000; PHHSBG—Health Education and Prevention—\$2,796,000; and Health Education and Prevention—\$299,000.

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
GENERAL GOVERNMENT: (continued)			
VD Screening and Treatment	\$ 1,084	\$ 1,131	\$ 1,131
(F) VD Survey and Follow-up	1,383	2,104	2,174
(A) Pfizer Grant .....	.....	9	.....
Total — VD Screening and Treatment	\$ 2,467	\$ 3,244	\$ 3,305
Subtotal — State Funds	\$ 53,672	\$ 63,080	\$ 64,128
Subtotal — Federal Funds	33,794	56,664	75,615
Subtotal — Augmentations	5,923	6,156	5,753
Total — General Government	\$ 93,389	\$ 125,900	\$ 145,496
GRANTS AND SUBSIDIES:			
Regional Cancer Institutes	\$ 966 ^a	\$ 1,100	\$ 1,100
School District Health Services	42,672	38,377	38,452
Local Health Departments	26,570	27,123	26,966
Local Health — Environmental	7,229	7,455	7,434
WIC — State Supplement	11,810	6,884	5,884
(F) Women, Infants and Children (WIC)	131,581	141,527	144,188
Total — WIC — State Supplement	\$ 143,391	\$ 148,411	\$ 150,072
Maternal and Child Health	1,816	1,818	1,818
(F) MCH Lead Poisoning Prevention and Abatement	1,127 ^b	3,000	3,186
(F) MCHSBG — Program Services	28,601 ^c	31,381	19,412
(F) Child Lead Poison / Environmental Assistance	220	307	323
(A) Environmental Assessments	3	255	268
Subtotal — Federal Funds	\$ 29,948	\$ 34,688	\$ 22,921
Subtotal — Augmentations	3	255	268
Total — Maternal and Child Health	\$ 31,767	\$ 36,761	\$ 25,007
Assistance to Drug and Alcohol Programs	34,556	36,431	37,160
Drug and Alcohol Capacity Building .....	.....	600	.....
(F) SABG — Drug and Alcohol Services	54,690 ^d	66,000	56,133
(F) Drug and Alcohol Data Collection System	168	161	161
(F) Community Youth Drug Program .....	.....	46	.....
(F) Substance Abuse Program Support Service Grants	6,074 ^e	11,413	6,397
(F) Substance Abuse Special Project Grants .....	.....	1,050	1,050
(F) DFSC — Special Programs — Student Assistance Program	1,000	900	900
(A) State Stores Fund Transfer	814	1,066	1,066
(A) Substance Abuse Treatment Licenses Services	8,083	.....	.....
(A) Non-hospital Residential Treatment	20,688	40,452	.....
Subtotal — Federal Funds	\$ 61,932	\$ 79,570	\$ 64,641
Subtotal — Augmentations	29,585	41,518	1,066
Total — Assistance to Drug and Alcohol Programs	\$ 126,073	\$ 158,119	\$ 102,867
Epilepsy Support Services .....	.....	150	150
Renal Dialysis	11,726	11,500	11,015
Organ Donation .....	.....	240	140
Services for Children with Special Needs	2,241	2,242	1,962

^a Actually appropriated as Western Pennsylvania Cancer Institute, \$483,000 and Eastern Pennsylvania Cancer Institute, \$483,000.

^b Actually appropriated as Childhood Lead Poisoning Prevention, \$1,127,000.

^c Actually appropriated as MCHSBG—Crippled Children, \$9,235,000, and MCHSBG—Maternal Services, \$20,366,000.

^d Actually appropriated as SABG—Alcohol Services, \$26,806,000, and SABG—Drug Services, \$27,884,000.

^e Actually appropriated as Drug Abuse Improvement in Targeted Cities, \$3,411,000; Model Treatment for Critical Populations, \$211,000; Model Treatment for Non-Incarcerated Persons, \$336,000; Model Treatment for Juvenile Offenders, \$481,000; Model Treatment Public Housing Residents, \$513,000; Facility Treatment Capacity Expansion, \$450,000; and AIDS Outreach for Substance Abusers, \$672,000.

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
<i>GRANTS AND SUBSIDIES: (continued)</i>			
Adult Cystic Fibrosis	\$ 348	\$ 448	\$ 448
Cooley's Anemia	198	198	198
Screening and Treatment — TB	994	1,663	1,663
(F) Tuberculosis Control Program	316	714	337
(F) PHHSBG — Tuberculosis	1,007	1,500	627
Subtotal — Federal Funds	\$ 1,323	\$ 2,214	\$ 964
Total — Screening and Treatment — TB	\$ 2,317	\$ 3,877	\$ 2,627
Hemophilia	2,058	2,088	2,088
Sickle Cell	1,202	1,203	1,203
Health Care Services NW	188	200	....
Regional Poison Control Centers	1,000	1,000	1,000
Trauma Program Coordination	150	150	150
Tourette Syndrome .....	....	100	....
Black Lung Clinic—Washington County .....	....	50	....
Emergency Care & Research .....	....	100	....
Fox Chase Institute for Cancer Research	860	860	860
The Wistar Institute — Research: Operation and Maintenance	237	387	237
The Wistar Institute — Research: AIDS Research	102	102	102
Central Pennsylvania Oncology Group	143	293	143
Cardiovascular Studies — University of Pennsylvania	132	132	132
Cardiovascular Studies — St. Francis Hospital	132	132	132
St. Christopher's Hospital	791	791	791
St. Christopher's Hospital: Disabled Children's Clinic	141	141	141
Lancaster — Cleft Palate Clinic	56	56	56
Pittsburgh — Cleft Palate Clinic	56	56	56
Tay Sachs Disease — Jefferson Medical College	56	56	56
Burn Foundation	462	562	462
Rehabilitation Institute of Pittsburgh	770	770	770
Subtotal — State Funds	\$ 149,662	\$ 145,458	\$ 142,769
Subtotal — Federal Funds	224,784	257,999	232,714
Subtotal — Augmentations	29,588	41,773	1,334
Total — Grants and Subsidies	\$ 404,034	\$ 445,230	\$ 376,817
STATE FUNDS	\$ 203,334	\$ 208,538	\$ 206,897
FEDERAL FUNDS	258,578	314,663	308,329
AUGMENTATIONS	35,511	47,929	7,087
GENERAL FUND TOTAL	\$ 497,423	\$ 571,130	\$ 522,313
OTHER FUNDS			
<i>EMERGENCY MEDICAL SERVICES OPERATING FUND:</i>			
Emergency Medical Services	\$ 11,784	\$ 12,000	\$ 7,000
Rural Trauma Care .....	....	400	400
Pediatric Prehospital Emergency Care .....	....	400	250
Catastrophic Medical and Rehabilitation	4,956	5,800	5,000
OTHER FUNDS TOTAL	\$ 16,740	\$ 18,600	\$ 12,650
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 203,334	\$ 208,538	\$ 206,897
FEDERAL FUNDS	258,578	314,663	308,329
AUGMENTATIONS	35,511	47,929	7,087
OTHER FUNDS	16,740	18,600	12,650
TOTAL ALL FUNDS	\$ 514,163	\$ 589,730	\$ 534,963

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
HEALTH SUPPORT SERVICES							
General Funds.....	\$ 18,689	\$ 20,800	\$ 21,738	\$ 22,629	\$ 23,398	\$ 24,287	\$ 25,234
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	16,084	18,156	39,711	39,711	39,711	39,711	39,711
Other Funds.....	5,358	5,780	5,380	5,601	5,790	6,011	6,246
TOTAL.....	\$ 40,131	\$ 44,736	\$ 66,829	\$ 67,941	\$ 68,899	\$ 70,009	\$ 71,191
HEALTH RESEARCH							
General Funds.....	\$ 8,534	\$ 9,496	\$ 8,749	\$ 8,753	\$ 8,953	\$ 9,184	\$ 9,430
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	924	2,108	2,671	2,671	2,671	2,671	2,671
Other Funds.....	56	60	60	62	64	66	69
TOTAL.....	\$ 9,514	\$ 11,664	\$ 11,480	\$ 11,486	\$ 11,688	\$ 11,921	\$ 12,170
PREVENTIVE HEALTH							
General Funds.....	\$ 119,917	\$ 118,656	\$ 117,989	\$ 118,670	\$ 119,258	\$ 119,937	\$ 120,661
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	179,180	214,082	200,629	200,696	200,696	200,696	200,696
Other Funds.....	512	571	581	594	605	618	632
TOTAL.....	\$ 299,609	\$ 333,309	\$ 319,199	\$ 319,960	\$ 320,559	\$ 321,251	\$ 321,989
HEALTH TREATMENT SERVICES							
General Funds.....	\$ 21,638	\$ 22,555	\$ 21,261	\$ 21,285	\$ 21,306	\$ 21,330	\$ 21,355
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	458	747	677	677	677	677	677
Other Funds.....	16,740	18,600	12,650	12,650	12,650	12,650	12,650
TOTAL.....	\$ 38,836	\$ 41,902	\$ 34,588	\$ 34,612	\$ 34,633	\$ 34,657	\$ 34,682
DRUG AND ALCOHOL ABUSE PREVENTION AND TREATMENT							
General Funds.....	\$ 34,556	\$ 37,031	\$ 37,160	\$ 37,160	\$ 37,160	\$ 37,160	\$ 37,160
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	61,932	79,570	64,641	64,674	64,674	64,674	64,674
Other Funds.....	29,585	41,518	1,066	1,066	1,066	1,066	1,066
TOTAL.....	\$ 126,073	\$ 158,119	\$ 102,867	\$ 102,900	\$ 102,900	\$ 102,900	\$ 102,900
ALL PROGRAMS:							
GENERAL FUND.....	\$ 203,334	\$ 208,538	\$ 206,897	\$ 208,497	\$ 210,075	\$ 211,898	\$ 213,840
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	258,578	314,663	308,329	308,429	308,429	308,429	308,429
OTHER FUNDS.....	52,251	66,529	19,737	19,973	20,175	20,411	20,663
TOTAL.....	\$ 514,163	\$ 589,730	\$ 534,963	\$ 536,899	\$ 538,679	\$ 540,738	\$ 542,932

PROGRAM OBJECTIVE: *To provide effective administration and support systems through which the substantive programs of the health delivery system and the department can be achieved.*

Program: Health Support Services

Health Support Services provides for the administration and technical systems which support disease research, prevention and treatment. The success or failure of these supportive efforts can only be indirectly reflected by the effectiveness of the activities they support. Also included in this program are Quality Assurance activities. The department operates the Public Health Laboratory which must maintain a state of readiness to support the investigation of disease outbreaks or threats to the public health.

The State Center for Health Statistics and Research serves as the focal point in Pennsylvania for coordinating the collection, analysis and dissemination of health statistics and information. The center maintains statistical information on the health status of the population, including leading causes of death, life expectancy and infant mortality. The center handles about 3,500 requests for services each year. The data center conducts an annual survey of all hospitals, nursing homes and ambulatory surgery centers in Pennsylvania to acquire information on health resources and health services availability, utilization, staffing and patient characteristics.

The Department of Health administers diverse research projects and studies related to the etiology, distribution and trends of major diseases. The department provides epidemiologic assessment of health problems that include environmental occupational hazards, health risk behavior and life style of the general public or selected populations. The department also provides professional consultation and technical support for other agencies, county health departments and local municipalities.

The Quality Assurance Program conducts surveys of hospitals, nursing homes, home health agencies, primary care providers, ambulatory surgical facilities and intermediate care facilities for the mentally retarded. The surveys determine compliance with standards for sanitation, fire safety health and level of care required for Medicare and Medicaid

certification and State licensure. The department requests from the health care facility a plan for correction of deficiencies noted in the survey. Facilities unable or unwilling to correct deficiencies according to a plan agreeable to the department are subject to various penalties.

Certification for Federal Medicare purposes and surveys of all home health agencies will continue. Surveys will be conducted at no less than fifteen percent coverage for all hospices; outpatient/physical, speech, and occupational therapy providers; comprehensive outpatient rehabilitation facilities; and rural health clinics. Of these, initial surveys will be given highest priority along with any complaints which pose an immediate or serious threat to patient health and safety.

The Bureau of Health Care Financing has the responsibility for licensure, quality care monitoring and consumer grievance resolution for diverse health plans such as Health Maintenance Organizations (HMO), Preferred Provider Organizations (PPO), and the Coordinated Care Organizations (CCO) authorized by the Workmen's Compensation Act. The bureau also monitors the Children's Health Insurance Plan (CHIP) and develops managed care policy for behavioral health assessment organizations.

The State Laboratory performs approximately 177,000 tests each year for diseases including HIV, rabies, hypothyroidism, blood lead, phenylketonuria, tuberculosis, and maple syrup urine disease. The State Laboratory supports disease prevention through the provision of investigatory, diagnostic and confirmatory testing for both infectious and non-infectious diseases. In addition, it establishes and monitors the performance standards for 6,000 clinical and physician office laboratories in the Commonwealth. Additionally, the State Laboratory implements the Federal requirement that clinical laboratories be certified under provisions of the Clinical Laboratory Act of 1967, as amended.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Health care facilities in Pennsylvania with required surveys completed:							
Hospitals (biennially)	90%	90%	90%	90%	90%	90%	90%
Skilled and intermediate care nursing homes	100%	100%	100%	100%	100%	100%	100%
Intermediate care facilities/MR	100%	100%	100%	100%	100%	100%	100%
Home health agencies	100%	95%	95%	95%	95%	95%	95%
Psychiatric hospitals	100%	90%	90%	90%	90%	90%	90%

The decline from the projections shown in the 1994-95 Budget for the percentage of surveys completed reflects a decrease in Federal inspection requirements for Medicare programs..

Program: Health Support Services

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">General Government Operations</td> </tr> <tr> <td style="width: 50%;">-887</td> <td>—nonrecurring projects.</td> </tr> <tr> <td>1,172</td> <td>—to continue current program.</td> </tr> <tr> <td>465</td> <td>—mainframe replacement.</td> </tr> <tr> <td style="border-top: 1px solid black;">\$ 750</td> <td><i>Appropriation Increase</i></td> </tr> </table>	General Government Operations		-887	—nonrecurring projects.	1,172	—to continue current program.	465	—mainframe replacement.	\$ 750	<i>Appropriation Increase</i>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">State Laboratory</td> </tr> <tr> <td style="width: 50%;">-50</td> <td>—nonrecurring projects.</td> </tr> <tr> <td style="border-top: 1px solid black;">\$ 238</td> <td>—to continue current program.</td> </tr> <tr> <td style="border-top: 1px solid black;">\$ 188</td> <td><i>Appropriation Increase</i></td> </tr> </table>	State Laboratory		-50	—nonrecurring projects.	\$ 238	—to continue current program.	\$ 188	<i>Appropriation Increase</i>
General Government Operations																			
-887	—nonrecurring projects.																		
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State Laboratory																			
-50	—nonrecurring projects.																		
\$ 238	—to continue current program.																		
\$ 188	<i>Appropriation Increase</i>																		

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
General Government Operations	\$ 11,048	\$ 11,852	\$ 12,602	\$ 13,119	\$ 13,565	\$ 14,080	\$ 14,629
Quality Assurance	4,543	5,986	5,986	6,231	6,443	6,688	6,949
State Laboratory	3,098	2,962	3,150	3,279	3,390	3,519	3,656
TOTAL GENERAL FUND	\$ 18,689	\$ 20,800	\$ 21,738	\$ 22,629	\$ 23,398	\$ 24,287	\$ 25,234

PROGRAM OBJECTIVE: To develop basic scientific knowledge of the nature of disease, illness, and environmental factors to improve the use of existing and new health resources and information.

Program: Health Research

The Vital Records Division is the repository for all records of births, deaths, fetal deaths, marriages and divorces among Pennsylvania residents.

The Division of Vital Records has been automating the issuance of certified copies of birth and death records. As a result, all requests for information on births from 1923 to the present can be processed through the Department of Health computer system. Additionally, six years of death records were microfilmed to eliminate the storage of hard copy documents and allow for retrieval through automated means. This initiative will be completed with the microfilming of 1.7 million remaining death records and 7 million birth records, eliminating the necessity of

storing hard copy, reducing leased space and ensuring the preservation of records.

Act 67 of 1987 created the Vietnam Veterans Health Initiative Commission in the Department of Health. The commission has four primary duties: the determination of what medical, administrative and social assistance is needed for veterans as a result of their Vietnam service; an outreach program; information dissemination to Vietnam veterans and their families; and the continued education of health professionals.

In addition, the department funds research on cancer, rabies and AIDS.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Vital events (births, deaths, fetal deaths, marriages and divorces):							
Registered and processed	405,200	401,100	398,000	393,800	391,700	390,500	389,400
Percent registered and processed within 30 days	47%	48%	52%	55%	55%	55%	55%
Applications for certified copies of birth and death records:							
Filled	602,000	610,000	620,000	625,000	630,000	635,000	640,000
Percent filled within 10 days	73%	75%	78%	80%	83%	85%	85%

Decline in vital events is based on falling birth rate and decreased marriages. The increase in applications is due to birth certificates needed for drivers' permits and proof of citizenship for travel and employment.

Program: Health Research (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ -233	Arthritis and Lupus Research —this budget recommends elimination of this program.	-17	Vietnam Veterans Health Initiative Commission —nonrecurring projects.
\$ -201	TMI — Health Studies —this budget recommends elimination of this program.	\$ -457	Diabetes Task Force —this budget recommends elimination of this program.
\$ -29	Vital Statistics —nonrecurring projects.	\$ -150	Wistar Institute — Research —nonrecurring projects.
262	—to continue current program.		
228	—Initiative — Completion of Vital Records Automation. To complete the microfilming of birth and death records for retrieval and storage purposes.	\$ -150	Central Penn Oncology Group —nonrecurring projects.
\$ 461	<i>Appropriation Increase</i>		

All other appropriations are included at current year funding levels.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Childhood Fatality Review Task Force . . .	\$ 20	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
Arthritis and Lupus Research	233	\$ 233	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
TMI — Health Studies	197	201	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
Vital Statistics	4,931	5,414	\$ 5,875	\$ 5,879	\$ 6,079	\$ 6,310	\$ 6,556
Vietnam Veterans Health Initiative Commission	174	185	168	168	168	168	168
Diabetes Task Force	407	457	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
Regional Cancer Institutes	966	1,100	1,100	1,100	1,100	1,100	1,100
Fox Chase Institute for Cancer Research	860	860	860	860	860	860	860
Wistar Institute - Research	237	387	237	237	237	237	237
Wistar Institute - AIDS Research	102	102	102	102	102	102	102
Cardiovascular Studies - University of Pennsylvania	132	132	132	132	132	132	132
Cardiovascular Studies - St. Francis Hospital	132	132	132	132	132	132	132
Central Penn Oncology Group	143	293	143	143	143	143	143
TOTAL GENERAL FUND	\$ 8,534	\$ 9,496	\$ 8,749	\$ 8,753	\$ 8,953	\$ 9,184	\$ 9,430

Program: Preventive Health (continued)

Risk reduction programs use methods such as incentives, health risk appraisals, risk factor screenings, self-help kits, group discussions and individual counselings to help people stop smoking, eat properly, exercise, adhere to hypertensive regimens and reduce other chronic disease risks. The department supports community risk reduction projects and comprehensive school health education programs.

Two major disease specific prevention programs include the Cancer Programs and Cardiovascular Risk Reduction Program. The Cancer Program has a primary emphasis on cancer prevention, screening and early detection. Cardiovascular risk factors in high risk populations are assessed and intervention prompted through blood pressure and blood cholesterol screening and educational approaches to reducing cardiovascular risks.

Public health programs are provided through a network of health centers which serve all but six counties within the State. The remaining six counties and three municipalities are served by local health departments receiving grants from the department. The District Offices and State Health Care Centers also provide health maintenance services.

The department provides clinical services for the diagnosis and treatment of sexually transmitted disease. These services are provided to insure that patients with a suspected disease have access to diagnostic and treatment services, and also provide diagnosis and treatment to those who have been exposed to a sexually transmitted infection.

The Tuberculosis Control Program utilizes chest clinics that provide a complete program of services for persons with tuberculosis disease. This consists of bacteriological studies, periodic x-ray examinations, physician and nursing evaluations and directly observed therapy.

The department has created a Tobacco Control Program which has the responsibility for the development, coordination and administration

of a Statewide program. This program will initiate efforts to address the health affects of tobacco by collecting and analyzing baseline data related to existing smoking prevention and intervention projects; designing and implementing primary prevention and intervention programs; conducting Statewide public awareness/information programs; developing professional educational programs; and developing and maintaining a central clearinghouse of current information. This program has the responsibility for the implementing the Clean Indoor Air Law. Regulations, enforcement and complaint procedures have been developed and implemented. An educational program has been developed, and training for district, county and municipal staff involved in the local education/enforcement process is provided.

The department has also created an Injury Prevention Program to study the incidence of injury within the Commonwealth and to recommend interventions to eliminate risk factors associated with injury.

The Disease Control Immunization Program conducts disease surveillance, monitors and enforces school immunization law, assesses child immunization status, and provides technical assistance to health and education agencies. The program also uses Federal funds to purchase a wide variety of vaccines to immunize uninsured and needy residents, most of whom are children. This action helps to prevent widespread occurrences of vaccine-preventable illnesses.

The Primary Health Care Practitioner Program promotes the participation of primary health care professionals in underserved rural and urban areas of the Commonwealth. Program elements include needs assessment, incentives to increase the number of primary care providers, recruitment and retention activities, and stimulus to develop primary care capacity in underserved communities.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Women and children's programs:							
Percent low birth weight live births	7.4%	7.4%	7.5%	7.5%	7.6%	7.6%	7.7%
Average persons participating in women, infants and children programs each month	273,491	276,516	276,516	276,516	276,516	276,516	276,516
Other communicable disease programs:							
HIV tests at publicly funded sites	47,000	49,500	52,000	54,500	57,000	59,500	62,000
Percent of persons screened found to have gonorrhea	0.6%	0.6%	0.6%	0.55%	0.55%	0.5%	0.5%
Communicable disease incidences reported:							
Gonorrhea	13,216	12,000	12,000	12,000	11,750	11,500	11,500
Infectious syphilis	707	700	625	625	600	525	500
AIDS	2,442	3,091	3,550	4,088	4,698	5,488	6,585
Primary care physicians receiving loan forgiveness	15	44	95	135	160	160	160
Cancer Registry:							
Abstracts received	98,300	100,250	102,250	104,300	106,400	108,500	109,500

Reported cases of syphilis and gonorrhea have decreased from last year's budget document due to successful preventive health outreach efforts.

AIDS cases among heterosexual substance abusers, their sexual partners and their children have increased. HIV incidence is also growing outside metropolitan areas in more rural communities.

Incidence of gonorrhea reflects projected decreases in future years based on national and state trends of decreased incidences reported.

The primary care physicians receiving loan forgiveness reflects a decrease in the 1993-94 year due to fewer candidates entering the program than originally anticipated. Future estimates are based on an anticipated 40 candidates per year to a maximum of 160 over a four year period.

Program: Preventive Health (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>State Health Care Centers</p> <p>\$ -494 —nonrecurring projects.</p> <p>919 —to continue current program.</p> <hr/> <p>\$ 425 <i>Appropriation Increase</i></p> <p>School District Health Services</p> <p>\$ 75 —increased average daily membership costs.</p> <p>Local Health Departments</p> <p>\$ -157 —State share decreases due to anticipated reduction in local budgets.</p>	<p>Local Health Departments — Environmental</p> <p>\$ -21 —reduced estimated population costs.</p> <p>WIC — State Supplement</p> <p>\$ -1,000 —increased Federal support will continue current level of participation.</p> <p>Occupational Disease Study</p> <p>\$ 11 —to continue current program.</p>
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All other appropriations are recommended at the current level.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
State Health Care Centers	\$ 14,699	\$ 16,181	\$ 16,606	\$ 17,287	\$ 17,875	\$ 18,554	\$ 19,278
AIDS Programs	5,329	7,400	7,400	7,400	7,400	7,400	7,400
Cancer Programs	4,365	4,777	4,777	4,777	4,777	4,777	4,777
Primary Health Care Practitioner	3,233	5,573	5,573	5,573	5,573	5,573	5,573
School District Health Services	42,672	38,377	38,452	38,452	38,452	38,452	38,452
Local Health Departments	26,570	27,123	26,966	26,966	26,966	26,966	26,966
Local Health — Environmental	7,229	7,455	7,434	7,434	7,434	7,434	7,434
WIC — State Supplement	11,810	6,884	5,884	5,884	5,884	5,884	5,884
Maternal and Child Health	1,816	1,818	1,818	1,818	1,818	1,818	1,818
Occupational Disease Study	60	68	79	79	79	79	79
Epilepsy Support Services .....	.	150	150	150	150	150	150
Screening and Treatment—TB	994	1,663	1,663	1,663	1,663	1,663	1,663
VD Screening and Treatment	1,084	1,131	1,131	1,131	1,131	1,131	1,131
Tay Sachs Disease — Jefferson Medical College	56	56	56	56	56	56	56
TOTAL GENERAL FUND	\$ 119,917	\$ 118,656	\$ 117,989	\$ 118,670	\$ 119,258	\$ 119,937	\$ 120,661

PROGRAM OBJECTIVE: To reduce morbidity and mortality due to disease and health defects by restoring the ill to the highest possible level of health with minimum involvement with the health care system.

Program: Health Treatment Services

Program Element: Inpatient Services

One of the principal concerns of patient management is to provide treatment services at the least expensive level of care while remaining consistent with standards of good medical practice. Inpatient hospital and nursing care is provided for only the most acute medical conditions that require the facilities and services available in an inpatient setting. Because inpatient care is very expensive, programs providing this type of care have imposed strict controls on admissions and, where possible, are using outpatient services in lieu of hospital admissions. These controls account for fewer patients in the inpatient setting.

Some of the programs operated by the department provide inpatient care for treatment of tuberculosis, cleft palate, cystic fibrosis, spina bifida, children's cardiac conditions, and orthopedic, speech, and hearing problems.

Program Element: Outpatient Services

Outpatient treatment services are more economical and cost-effective than inpatient care and are utilized whenever possible to provide needed treatment services for chronic respiratory diseases, physical rehabilitation and reconstruction, chronic diseases (other than respiratory), catastrophic blood disorders and acute conditions.

Clinical services are offered in a variety of settings, including State and community health centers, family planning clinics and practicing physicians' offices. This also allows minors to seek and receive care under the treatment of minors provisions of the Disease Prevention and Control Law.

The Division of Children's Special Health Care Needs (CSHCN) has established a Statewide system of information and referral to be coordinated by one Statewide contractor and implemented by six regional contractors (Regional Resource Centers) located in the department's six health districts. Through the Family Focus Early Intervention System, grants are being made for family support and community development activities related to CSHCN. A family consultant has been placed in each tertiary children's hospital to assist and advocate for families as they access services for CSHCN. This consultant will link families back to the Regional Resource Center for information and referral to local services.

The department provides extensive outpatient support services to persons with chronic respiratory diseases. The Coal Workers' Chronic Respiratory Disease Program provides screening, diagnostic, rehabilitative, educational, referral and follow-up care to all miners with pulmonary disease within the Commonwealth.

The Home Ventilator Program provides Statewide case management and support services to 101 children with chronic respiratory failure who are ventilator dependent, allowing them to receive life-support equipment and nursing care in their homes. The program

is administered through a contract with Children's Anesthesiology Associates of Philadelphia. In a joint effort to improve utilization of State funds, those children who are eligible for Medical Assistance will receive all medically necessary services through the Medical Assistance Program in the Department of Public Welfare.

Children's rehabilitative services are provided through outpatient clinics to children from newborn to age 21. Health conditions include cardiac, orthopedic, cystic fibrosis, cleft palate, craniofacial anomalies and hearing and speech disorders. Services for these patients include case management, evaluation, diagnosis, medical and rehabilitative services, and follow-up treatments.

The Spina Bifida Program assists patients and their families with some of the health care costs not covered by insurance or other third party resources.

The Hemophilia Program consists of eight specialized centers which offer comprehensive evaluation, rehabilitation services and blood products for hospital, outpatient or home use. Patients must be registered with a program to receive these benefits and must assure that third party resources are used before State program funds are expended.

Sickle Cell Anemia is a genetically determined red blood cell disorder which affects approximately two percent of the black population in Pennsylvania. Patients receive medical and psychosocial services at 15 different service sites.

Cooley's Anemia is found predominantly in individuals of Mediterranean ancestry. While the incidence of Cooley's Anemia cannot be estimated, there are 44 patients currently receiving care under this program.

The Chronic Renal Disease Program provides dialysis, renal transplant, drugs, certain physician fees, medical supplies and transportation services to persons having chronic renal failure. The department's Health Promotion Program conducts a public information and education program to encourage organ and tissue donation as one means of eliminating disease and prolonging life in those eligible.

The department provides comprehensive treatment services to infants, children and pregnant women diagnosed with phenylketonuria (PKU) and Maple Syrup Urine Disease (MSUD).

The Department of Health also administers a program for planning, developing and upgrading Emergency Medical Services (EMS) Systems throughout the Commonwealth. This includes the licensing of ambulance services. Funding is made available through the Emergency Medical Services Operating Fund. The Head Injury Program provides case management services and post-acute head injury rehabilitation services to individuals with traumatic head injury. Services are provided through contractual agreements with case managers and head injury rehabilitation facilities in the Commonwealth.

Program: Health Treatment Services (continued)

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Inpatient Services							
Persons receiving inpatient hospital care from department programs	144	144	144	144	144	144	144
Outpatient Services							
Children and adults receiving outpatient treatment through department supported programs:							
Hemophilia	1,106	1,116	1,119	1,122	1,125	1,125	1,125
Phenylketonuria	620	660	670	685	695	715	725
Renal disease	12,631	13,531	14,431	15,331	16,231	17,131	17,750
Cooley's Anemia	44	50	52	52	52	52	52
Sickle Cell Anemia	1,665	1,740	1,740	1,740	1,740	1,740	1,740
Spina Bifida	1,549	1,549	1,549	1,549	1,549	1,549	1,549
Home ventilators	101	101	101	101	101	101	101
Chronic respiratory disease	7,100	7,100	7,100	7,100	7,100	7,100	7,100
Children's rehabilitative services	31,800	31,800	31,800	31,800	31,800	31,800	31,800

The decrease in inpatient services compared to last year's budget is based on updated information from actual inpatient authorizations certified by Blue Cross.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Renal Dialysis</p> <p>\$ -115 —operating expenses transferred to the Renal Dialysis Management appropriation.</p> <p>-370 —nonrecurring projects.</p> <hr/> <p>\$ -485 <i>Appropriation Decrease</i></p>	<p>Renal Dialysis Management</p> <p>\$ -14 —nonrecurring projects.</p> <p>115 —operating expenses transferred from the Renal Dialysis appropriation.</p> <p>20 —operating expenses transferred from the General Government Operations appropriation.</p> <hr/> <p>\$ 121 <i>Appropriation Increase</i></p>	<p>Organ Donatlon</p> <p>\$ -100 —nonrecurring projects.</p>	<p>Services for Children With Special Needs</p> <p>\$ -280 —Federal payment of Hib vaccine allows reduction in State cost with no change in service level.</p>	<p>Health Care Services — NW</p> <p>\$ -200 —nonrecurring project.</p>	<p>Tourette Syndrdome</p> <p>\$ -100 —nonrecurring projects.</p>	<p>Black Lung Clinic — Washington County</p> <p>\$ -50 —nonrecurring project.</p>	<p>Emergency Care and Research</p> <p>\$ -100 —nonrecurring projects.</p>	<p>Burn Foundation</p> <p>\$ -100 —nonrecurring projects.</p>
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All other appropriations are recommended at the current year level.

Program: Health Treatment Services (continued)

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Renal Dialysis	\$ 11,726	\$ 11,500	\$ 11,015	\$ 11,015	\$ 11,015	\$ 11,015	\$ 11,015
Renal Dialysis Management		460	581	605	626	650	675
Organ Donation		240	140	140	140	140	140
Services for Children with Special Needs	2,241	2,242	1,962	1,962	1,962	1,962	1,962
Coalworkers Pneumoconiosis Services	251	200	200	200	200	200	200
Adult Cystic Fibrosis	348	448	448	448	448	448	448
Cooley's Anemia	198	198	198	198	198	198	198
Hemophilia	2,058	2,088	2,088	2,088	2,088	2,088	2,088
Sickle Cell	1,202	1,203	1,203	1,203	1,203	1,203	1,203
Health Care Services NW	188	200					
Regional Poison Control Centers	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Trauma Program Coordination	150	150	150	150	150	150	150
Tourette Syndrome		100					
Black Lung Clinic — Washington County		50					
Emergency Care and Research		100					
St. Christopher's Hospital — Cerebral Palsy	791	791	791	791	791	791	791
St. Christopher's Hospital — Handicapped Children	141	141	141	141	141	141	141
Burn Foundation	462	562	462	462	462	462	462
Rehabilitation Institute of Pittsburgh	770	770	770	770	770	770	770
Cleft Palate — Lancaster	56	56	56	56	56	56	56
Cleft Palate — Pittsburgh	56	56	56	56	56	56	56
TOTAL GENERAL FUND	\$ 21,638	\$ 22,555	\$ 21,261	\$ 21,285	\$ 21,306	\$ 21,330	\$ 21,355

PROGRAM OBJECTIVE: To provide educational, intervention and treatment programs to reduce drug and alcohol abuse and dependency.

Program: Drug and Alcohol Abuse Prevention and Treatment

This program provides counties with funding to purchase drug and alcohol services. Single County Authorities (SCA) prepare prevention, intervention and treatment plans tailored to the needs of their respective geographic areas. The department approves these plans and formulates a Statewide program based on those findings.

The prevention program provides current information on the effects of drugs and alcohol and assists individuals in developing or improving skills that will enable them to choose a lifestyle free of substance abuse. This is done through educational sessions, workshops, media presentations and an information clearinghouse, operated by the department. Primary emphasis has been given to youth and a special curriculum is now used in all school districts to address the drug and alcohol problem.

Intervention services provide support to those individuals affected by drug or alcohol problems. Services include information hotlines, drop-in centers, alcohol safety programs and occupational programs. The

Student Assistance Program (SAP) provides school personnel with the knowledge and skills needed to identify students using alcohol or drugs. Students are referred to professional evaluators and, if needed, receive treatment services. Special services are designed to divert certain criminal offenders into rehabilitation programs.

Treatment services are funded in hospitals, prisons, shelters, residential units, and outpatient programs. Treatment often consists of short-term detoxification followed by a longer term rehabilitation. Most inpatient services are rendered in a nonhospital setting. Outpatient services may follow discharge from a residential program; however many persons receive their initial treatment in an outpatient setting. Typically, admissions to treatment are approximately 50 percent drug related and 50 percent alcohol related. Males represent 71 percent of all treatment admissions. After alcohol, the second most predominant drug abuse problem is cocaine use. Multiple drug use is also a problem.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Prevention Services:							
School personnel trained by Student Assistance Program	11,100	11,100	11,100	11,100	11,100	11,100	11,100
School districts participating in Student Assistance Program	501	501	501	501	501	501	501
Students referred for assessment by Student Assistance Program	14,774	14,774	14,774	14,774	14,774	14,774	14,774
Treatment Services:							
Residential programs licensed/approved ..	248	248	248	248	248	248	248
Outpatient programs licensed/approved ..	485	485	485	485	485	485	485
Patients enrolled in treatment:							
Male	50,000	50,000	51,000	51,000	51,000	51,000	51,000
Female	21,000	21,000	21,420	21,420	21,420	21,420	21,420
Admissions with primary diagnosis:							
Drug abuse	35,548	35,548	36,258	36,258	36,258	36,258	36,258
Alcohol abuse	35,709	35,709	36,423	36,423	36,423	36,423	36,423
Percent of admissions completing treatment	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%

The number of students referred for assistance increased from last year's budget document because significantly more students are being referred than anticipated.

The outpatient programs licensed/approved estimate decreases compared to estimates in last year's budget since anticipated increases due to managed care did not materialize.

Program: Drug and Alcohol Abuse Prevention and Treatment (continued)

Program Recommendations:

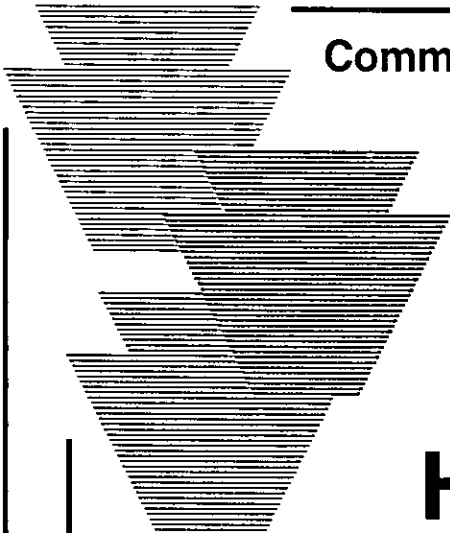
This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Assistance to Drug and Alcohol Program \$ 729 —to continue current program.</p>	<p>Drug and Alcohol Capacity Building \$ -600 —nonrecurring projects.</p>
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Administration of non-hospital residential treatment services will revert to the Department of Public Welfare in 1995-96.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Assistance to Drug and Alcohol Programs	\$ 34,556	\$ 36,431	\$ 37,160	\$ 37,160	\$ 37,160	\$ 37,160	\$ 37,160
Drug and Alcohol Capacity Building . . . . .	. . . . .	600	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
TOTAL GENERAL FUND	\$ 34,556	\$ 37,031	\$ 37,160	\$ 37,160	\$ 37,160	\$ 37,160	\$ 37,160



Commonwealth of Pennsylvania

Higher Education Assistance Agency

The Higher Education Assistance Agency provides financial aid to higher education students in the form of grants, loans and employment opportunities through the coordination of State and Federal aid programs. In addition the agency provides institutional assistance grants to private institutions enrolling students who participate in the grant program and administers the Information Technology Education Program.

HIGHER EDUCATION ASSISTANCE AGENCY

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	1995-96 State Funds (In thousands)
Expanding Access to Higher Education		
	Grants to Students	\$ 35,791

This Program Revision will increase access to higher education by providing a 17.3 percent increase in the amount of grant funds available through the Grants to Students Program. The funding provided will increase the maximum award by \$100 and provide new grants to about 10,000 students. Please see the Department of Education for further details on this Program Revision.

Department Total \$ 35,791

HIGHER EDUCATION ASSISTANCE AGENCY

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
<i>GRANTS AND SUBSIDIES:</i>			
Grants to Students	\$ 187,550	\$ 206,300	\$ 242,091
(F) Byrd Scholarships .....	.....	824	412
Matching Payments for Student Aid Funds	6,341	6,341	6,736
Institutional Assistance Grants	32,953	35,077	35,675
Equal Opportunity Professional Education	750	750	750
Loan Forgiveness	4,440	5,010	5,010
Agricultural Loan Forgiveness	294	63	319
Information Technology	2,000	1,200	.....
Child Care Loan Forgiveness	300	300	300
Subtotal — State Funds	\$ 234,628	\$ 255,041	\$ 290,881
Subtotal — Federal Funds .....	.....	824	412
GENERAL FUND TOTAL	\$ 234,628	\$ 255,865	\$ 291,293
OTHER FUNDS			
<i>HIGHER EDUCATION ASSISTANCE FUND:</i>			
Reserve for Losses on Guaranteed Loans	\$ 136,887	\$ 146,428	\$ 160,951
State/Federal Administration Reserve	119,621	105,537	107,277
Contract Servicing	60,744	65,800	67,490
Paul Douglas Teacher Scholarship	479	475	475
State Student Incentive Grant	3,200	3,200	2,800
Transfers and Interest Augmenting State Appropriations	638	729	772
Supplemental Loan Account	50	50	50
Loan Sale Discount Account	53	53	53
Administration Augmentations	2,088	2,050	2,063
Christa McAuliffe Scholarship	45	40	40
Primary Health Care	167	200	200
OTHER FUNDS TOTAL	\$ 323,972	\$ 324,562	\$ 342,171
 DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 234,628	\$ 255,041	\$ 290,881
FEDERAL FUNDS .....	.....	824	412
OTHER FUNDS	323,972	324,562	342,171
TOTAL ALL FUNDS	\$ 558,600	\$ 580,427	\$ 633,464

HIGHER EDUCATION ASSISTANCE AGENCY

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
FINANCIAL ASSISTANCE TO STUDENTS							
General Funds.....	\$ 199,675	\$ 218,764	\$ 255,206	\$ 255,206	\$ 255,206	\$ 255,206	\$ 255,206
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	0	824	412	412	412	412	412
Other Funds.....	323,972	324,562	342,171	342,171	342,171	342,171	342,171
TOTAL.....	\$ 523,647	\$ 544,150	\$ 597,789	\$ 597,789	\$ 597,789	\$ 597,789	\$ 597,789
FINANCIAL AID TO INSTITUTIONS							
General Funds.....	\$ 34,953	\$ 36,277	\$ 35,675	\$ 35,675	\$ 35,675	\$ 35,675	\$ 35,675
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
TOTAL.....	\$ 34,953	\$ 36,277	\$ 35,675	\$ 35,675	\$ 35,675	\$ 35,675	\$ 35,675
ALL PROGRAMS:							
GENERAL FUND.....	\$ 234,628	\$ 255,041	\$ 290,881	\$ 290,881	\$ 290,881	\$ 290,881	\$ 290,881
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	824	412	412	412	412	412
OTHER FUNDS.....	323,972	324,562	342,171	342,171	342,171	342,171	342,171
TOTAL.....	\$ 558,600	\$ 580,427	\$ 633,464	\$ 633,464	\$ 633,464	\$ 633,464	\$ 633,464

HIGHER EDUCATION ASSISTANCE AGENCY

PROGRAM OBJECTIVE: To provide financial assistance to Commonwealth residents in order to promote access to institutions of higher education.

Program: Financial Assistance to Students

The Pennsylvania Higher Education Assistance Agency (PHEAA) provides three kinds of financial assistance to students in the form of grants, work study awards and guaranteed student loans. Funds for the various financial assistance programs flow through the Higher Education Assistance Fund. The Higher Education Assistance Fund is shown in the Special Funds Appendix

Direct grants to students are funded by an annual appropriation from the General Fund and interest earnings from the deposit of that appropriation in the PHEAA Fund and Federal State Student Incentive Grant funds. The PHEAA Board annually determines by regulation the distribution of funds to applicants on criteria including family income, family size and the cost of the institution the student will be attending.

The objective of the program is to reduce financial barriers and thereby provide access to higher education for all Commonwealth residents and, within the limits of the resources available, help to provide freedom of choice between public colleges and universities and private universities, colleges and postsecondary schools.

The Federal Family Education Loan Program, formerly the Guaranteed Student Loan Program, established by the Federal Government and administered by PHEAA, enables students to secure long-term loans from lending institutions. Act 330 of 1982, amended by Act 5 of 1983, authorized the issuance of tax-exempt bonds to fund a supplemental student loan program for students who need additional

assistance. PHEAA includes in this program funds for parents to obtain loans for the education of their children and a special loan program for students in the health professions.

The Matching Funds Program provides funds to match Federal and other funds for work study awards which students earn through several on-campus and off-campus job opportunities. The on-campus programs generally provide employment in campus services; off-campus programs place students in work related to the course of study. The program also funds professional development of financial aid personnel.

The Equal Opportunity Professional Education Program provides grants to minority graduates of Lincoln and Cheyney Universities to enter graduate programs of the Commonwealth Universities.

The Loan Forgiveness Programs provide loan forgiveness to graduating students who agree to teach in underserved urban and rural areas. The loans can be forgiven in amounts up to \$2,500 each year for four years.

The Agricultural Loan Forgiveness Program provides loan forgiveness for graduates with Agriculture degrees who work on family-owned farms and for veterinarians whose practices include the treatment of farm animals.

The Child Care Loan Forgiveness Program provides loan forgiveness for qualified applicants who work in child day care centers or group day care homes approved by the Department of Public Welfare.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Grants to Students:							
Applications for grants	311,159	343,090	353,080	363,980	374,900	386,150	397,730
Applications for grants needs-tested	224,976	240,400	249,510	257,000	264,710	272,650	280,380
Applicants enrolled full-time eligible for and receiving grants	125,037	134,830	144,440	148,770	153,228	157,840	162,570
Percent of needs tested applicants qualifying	62.5%	63.1%	63.1%	63.1%	63.1%	63.1%	63.1%
Grants as percent of educational costs ..	13.5%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%
College Work Study:							
Students assisted by Federal college based student aid and State/private funds	82,477	83,000	83,000	90,000	90,000	90,000	90,000
College work study jobs made available by off-campus employers	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Students work study earnings (in millions)	\$2.300	\$2.800	\$2.800	\$3.109	\$3.109	\$3.400	\$3.400
Student Loans:							
Guaranteed loans	499,263	633,005	598,189	366,391	348,944	323,157	307,768

Under College Work Study, PHEAA now reflects only actual Perkins Loan awards received rather than anticipated awards.

The measure Students work study earnings has increased compared to last year's budget because of increased Federal funds and funding provided by PHEAA.

The measure guaranteed loans is decreasing in the budget and future years because of the increase in loans by direct lending institutions.

HIGHER EDUCATION ASSISTANCE AGENCY

Program: Financial Assistance to Students (continued)

Program Recommendations: _____

This budget recommends the following changes: (Dollar Amounts in Thousands)

- Grants to Students**
 \$ 35,791 —PRR — Expanding Access to Higher Education. This Program Revision provides an increase in the amount of grant money available to students at post-secondary institutions. See the Program Revision in the Department of Education for further information.
- Matching Payments for Student Aid Fund**
 \$ 395 —to match available Federal funds.
- Agricultural Loan Forgiveness**
 \$ 256 —to continue current program.

All other appropriations are recommended at the 1994-95 funding level.

Appropriations within this Program: _____

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Grants to Students	\$ 187,550	\$ 206,300	\$ 242,091	\$ 242,091	\$ 242,091	\$ 242,091	\$ 242,091
Matching Payments for Student Aid Funds	6,341	6,341	6,736	6,736	6,736	6,736	6,736
Equal Opportunity Professional Education	750	750	750	750	750	750	750
Loan Forgiveness	4,440	5,010	5,010	5,010	5,010	5,010	5,010
Agricultural Loan Forgiveness	294	63	319	319	319	319	319
Child Care Loan Forgiveness	300	300	300	300	300	300	300
TOTAL GENERAL FUND	\$ 199,675	\$ 218,764	\$ 255,206	\$ 255,206	\$ 255,206	\$ 255,206	\$ 255,206

HIGHER EDUCATION ASSISTANCE AGENCY

PROGRAM OBJECTIVE: To assist independent post-secondary institutions to maintain enrollments and stabilize their educational costs thereby promoting access to institutions in all sectors for Pennsylvania students.

Program: Financial Aid to Institutions

The Institutional Assistance Grants Program, which began in 1974, provides grants to assist independent post-secondary institutions which are nonprofit, nondenominational and nonrecipients of direct State appropriations.

The appropriated funds provide equal per capita grants to the schools based on the number of student grant recipients enrolled during the academic year.

The program helps to preserve and develop the diverse system of higher education in Pennsylvania by allowing private colleges and universities to stabilize their educational costs and maintain enrollments. It recognizes the desirability of helping independent institutions remain fiscally sound and serves to promote full student access to institutions in all sectors by assisting student attendance at Pennsylvania independent colleges and universities.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Grant recipients enrolled at eligible independent institutions	35,694	36,838	37,476	37,476	37,476	37,476	37,476
Per capita grant	\$926	\$958	\$958	\$958	\$958	\$958	\$958
Eligible institutions	85	86	86	86	86	86	86


Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Institutional Assistance Grants
 \$ 598 —to maintain the current average grant level.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Institutional Assistance Grants	\$ 32,953	\$ 35,077	\$ 35,675	\$ 35,675	\$ 35,675	\$ 35,675	\$ 35,675
Information Technology	2,000	1,200	.....	.....	.....	.....	.....
TOTAL GENERAL FUND	\$ 34,953	\$ 36,277	\$ 35,675	\$ 35,675	\$ 35,675	\$ 35,675	\$ 35,675



Commonwealth of Pennsylvania

Historical and Museum Commission

The Historical and Museum Commission is the official agency for the conservation and presentation of Pennsylvania's historic heritage. In executing its responsibilities, the commission provides educational and recreational facilities to the public through historical, archaeological and museum research, administration of public records, museum exhibition and interpretation, and historic site development.

HISTORICAL AND MUSEUM COMMISSION

Summary by Fund and Appropriation

GENERAL FUND	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL GOVERNMENT:			
General Government Operations	\$ 15,118^a	\$ 17,292^a	\$ 15,549
(F) Historic Preservation	938	1,300	1,300
(F) Surface Mining Study	20	35	45
(F) State Records Center	45	37	....
(F) Environmental Review	90	120	100
(F) Exhibits Flagship Niagara	27	36	....
(F) Turnpike Preservation Review .....	....	45	45
(A) Hope Lodge	200	35	30
(A) Historic Preservation Fund	500	410	400
(A) Land Records	6	15	10
(A) Rental of Historic Sites and Properties .....	....	120	120
(A) Keystone Park & Recreation Fund — American Disabilities Act .....	....	....	303
(A) Commission on Crime and Delinquency .....	....	32	34
(A) Intermodal Surface Transportation Safety Act .....	....	64	....
Maintenance Program	917	917	1,000
Subtotal — State Funds	\$ 16,035	\$ 18,209	\$ 16,549
Subtotal — Federal Funds	1,120	1,637	1,490
Subtotal — Augmentations	706	612	897
Total — General Government	\$ 17,861	\$ 20,458	\$ 18,936
GRANTS AND SUBSIDIES:			
Museum Assistance	\$ 2,606^b	\$ 2,926^c	\$ 3,806
Humanities Activities	75	100	....
Total — Grants and Subsidies	\$ 2,681	\$ 3,026	\$ 3,806
STATE FUNDS	\$ 18,716	\$ 21,235	\$ 20,355
FEDERAL FUNDS	1,120	1,637	1,490
AUGMENTATIONS	706	612	897
GENERAL FUND TOTAL	\$ 20,542	\$ 23,484	\$ 22,742
OTHER FUNDS			
GENERAL FUND:			
Preservation of Historic Sites and Properties	\$ 350	\$ 150	\$ 200
Hope Lodge Fund	30	35	30
HISTORIC PRESERVATION FUND:			
Historic Preservation Fund	\$ 3,528	\$ 5,050	\$ 5,050
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:			
Historic Site Development .....	....	2,700	9,249
OTHER FUNDS TOTAL	\$ 3,908	\$ 7,935	\$ 14,529
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUNDS	\$ 18,716	\$ 21,235	\$ 20,355
FEDERAL FUNDS	1,120	1,637	1,490
AUGMENTATIONS	706	612	594
OTHER FUNDS	3,908	7,935	14,529
TOTAL ALL FUNDS	\$ 24,450	\$ 31,419	\$ 37,271

^a Excludes \$29,000 for discontinued interagency billing.

^b Actually appropriated as \$630,000 for Museum Assistance, \$176,000 for University of Pennsylvania Museum, \$176,000 for Carnegie Museum, \$176,000 for Carnegie Science Center, \$531,000 for Franklin Institute, \$325,000 for Academy of Natural Sciences, \$176,000 for Museum of Philadelphia Civic Center, \$249,000 for Afro-American Historical and Cultural Museum, \$32,000 for Everhart Museum, and \$135,000 for Mercer Museum.

^c Actually appropriated as \$950,000 for Museum Assistance, \$176,000 for University of Pennsylvania Museum, \$176,000 for Carnegie Museum, \$176,000 for Carnegie Science Center, \$531,000 for Franklin Institute, \$325,000 for Academy of Natural Sciences, \$176,000 for Museum of Philadelphia Civic Center, \$249,000 for Afro-American Historical and Cultural Museum, \$32,000 for Everhart Museum, and \$135,000 for Mercer Museum.

HISTORICAL & MUSEUM COMMISSION

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
STATE HISTORIC PRESERVATION							
General Funds.....	\$ 16,035	\$ 18,209	\$ 16,549	\$ 17,187	\$ 17,737	\$ 18,373	\$ 19,051
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	1,120	1,637	1,490	1,690	1,665	1,670	1,690
Other Funds.....	4,614	8,547	15,426	15,130	15,132	15,159	15,161
TOTAL.....	\$ 21,769	\$ 28,393	\$ 33,465	\$ 34,007	\$ 34,534	\$ 35,202	\$ 35,902
MUSEUM DEVELOPMENT AND OPERATION							
General Funds.....	\$ 2,681	\$ 3,026	\$ 3,806	\$ 3,806	\$ 3,806	\$ 3,806	\$ 3,806
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
TOTAL.....	\$ 2,681	\$ 3,026	\$ 3,806	\$ 3,806	\$ 3,806	\$ 3,806	\$ 3,806
ALL PROGRAMS:							
GENERAL FUND.....	\$ 18,716	\$ 21,235	\$ 20,355	\$ 20,993	\$ 21,543	\$ 22,179	\$ 22,857
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,120	1,637	1,490	1,690	1,665	1,670	1,690
OTHER FUNDS.....	4,614	8,547	15,426	15,130	15,132	15,159	15,161
TOTAL.....	\$ 24,450	\$ 31,419	\$ 37,271	\$ 37,813	\$ 38,340	\$ 39,008	\$ 39,708

HISTORICAL AND MUSEUM COMMISSION

PROGRAM OBJECTIVE: To manage and safeguard Pennsylvania's historic resources through a comprehensive history and museum program to educate and to interpret, research and preserve all areas of Pennsylvania history.

Program: State Historic Preservation

The State Historical Preservation Program administered by the Historical and Museum Commission is comprised of four major elements. These elements include: Executive Direction and Administration; Pennsylvania State and Local Records; Historic Site and Museum Operations; and Historic Preservation.

Program Element: Executive Direction and Administration

This element provides general policy and direction for administering the commission's operations. It includes legislative and press relations, personnel management, procurement, financial grant administration, fiscal and revenue management, and other services. In addition, it serves to administer a Property Management and Lease Program through cooperative agreements with management groups or profit and non-profit organizations to operate, maintain and utilize historic sites, buildings and agriculture lands under the custody of the commission.

Program Element: State and Local Records

This element is supported by the State Archives, the Land Office, the Computer Output Microfilm Program and the State Record Center. The State Archives is responsible for: evaluation of State and political subdivision records of the Commonwealth to determine administrative, legal or historical value; records disposition requests and the development of appropriate records management and archival programs; and accessing of records, manuscripts and materials deemed appropriate for placement in the State Archives. The commission's archival program also provides information, microfilm, photographs and other materials, and makes available finding aids and guides for researchers and the general public. The Land Office maintains and preserves the records of the first titles acquired by the proprietaries and the Commonwealth to all the lands within Pennsylvania's boundaries, the conveyances and purchasers of the land; papers relating to the surveys of the State boundary lines; and maps and other papers pertaining to the colonial history of Pennsylvania.

The State Archives, the Computer Output Microfilm Program and the State Records Center offers Pennsylvania and its political sub-

divisions opportunities for solving the serious problem of managing paper and electronic records. Planning efforts have already been initiated in cooperation with the Office of Administration to insure that short and long-range strategies are developed for records management that will see Pennsylvania into the 21st century.

Program Element: Historic Site and Museum Operations

This element supports the operation of twenty-eight (28) historic sites and museums throughout the Commonwealth including the State Museum of Pennsylvania. This program provides educational, collections and exhibition programs for interpreting Pennsylvania history. Cooperative initiatives with associate organizations on educational and public events and programs presenting rural and urban life along with lectures and seminars, curatorial methods and ethnic studies to bring history to the public. This program element provides a variety of support services including architectural and design activities in support of a preservation maintenance program; collections management and conservation; marketing, and other historic site and museum activities and services. The State Museum administers the Mobile Museum Program which brings Pennsylvania history to the people.

Program Element: Historic Preservation

This element is responsible for the identification, protection and enhancement of buildings, structures and districts of historic and architectural significance within the Commonwealth. It provides for the infusion of Federal funds from the Department of the Interior to: enhance the economic base of many communities in Pennsylvania; provide a survey and National Register nomination program; maintain an information network providing direction and assistance to local preservation organizations; administer an archaeological program to improve policies and procedures and provide direction to the professional and advocational community; and preserve and protect endangered historic public and private buildings, structures and landmarks through a nonprofit Statewide revolving fund.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
State and Local Records							
Pages of archives and historical manuscripts (in thousands)	138,788	145,000	150,000	155,000	160,000	170,000	175,000
Service request responses History, Archives and Land Records	75,476	78,000	79,000	80,000	80,000	82,000	83,000
Historic Site and Museum Operations							
Annual visits to commission historical sites and museums (in thousands) . . .	1,352	1,550	1,700	1,800	2,000	2,100	2,250
Historic markers	1,640	1,680	1,700	1,715	1,730	1,750	1,775

HISTORICAL AND MUSEUM COMMISSION

Program: State Historic Preservation (continued)

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Historic Preservation							
Evaluations for the National Register of Historic Properties	278	310	320	330	340	350	350
Historic properties reviewed for tax credit	137	140	140	150	150	150	150
Professional History and Museum Support Services							
Objects maintained and conserved (in thousands)	1,305	1,305	1,305	1,305	1,300	1,300	1,300
Commission buildings undergoing improvement	65	141	150	150	150	175	175

Program Measure "Historic properties reviewed for tax credit" has been revised downward based upon recent program activity.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>General Government Operations</p> <p>\$ -2,800 —nonrecurring projects.</p> <p>1,057 —to continue current program.</p> <p>\$ -1,743 Appropriation Decrease</p>	<p>Maintenance Program</p> <p>\$ 83 —to continue current program.</p> <p>Humanities Council</p> <p>\$ -100 —nonrecurring projects.</p>
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Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
General Government Operations	\$ 15,118	\$ 17,292	\$ 15,549	\$ 16,187	\$ 16,737	\$ 17,373	\$ 18,051
Maintenance Program	917	917	1,000	1,000	1,000	1,000	1,000
Humanities Council	75	100					
TOTAL GENERAL FUND	\$ 16,110	\$ 18,309	\$ 16,549	\$ 17,187	\$ 17,737	\$ 18,373	\$ 19,051

HISTORICAL AND MUSEUM COMMISSION

PROGRAM OBJECTIVE: To assure provision of representative artifacts, specimens of history, art and science for all citizens through the support of museums within the Commonwealth.

Program: Museum Assistance

This program is comprised of three major components, the Museum Assistance Program, Museum Assistance General Operating Support and the Keystone Recreation, Parks, and Conservation Fund. The three programs provide a source of financial assistance designed to enhance the quality of history and museum activities in Pennsylvania.

The Museum Assistance and Local History Grant Program, established in 1985, is a competitive financial assistance process available to all qualified history related institutions within Pennsylvania. Through the established grant categories (Special Project Support, Technical Assistance, Local History, Local History General Operating and others) organizations may apply to the Historical and Museum Commission for projects ranging from the research of an historic event to a comprehensive exhibit plan and program having significant Statewide impact. Special Project Support Grants and Local History General Operating Grants, the largest of the financial award categories, require the successful grantee to provide dollar-for-dollar matching funds. All other categories are non-matching, but grantees are encouraged to provide in-kind support where possible.

The Museum Assistance General Operating Program provides

support to major history and cultural related institutions in the Commonwealth. Organizations which currently receive funding from the commission through this program include: the University of Pennsylvania Museum, Carnegie Museum of Natural History, Carnegie Science Center, Franklin Institute Science Museum, Academy of Natural Sciences, Museum of the Philadelphia Civic Center, Afro-American Historical and Cultural Museum, Everhart Museum and the Mercer Museum. Financial assistance to these institutions supports a portion of their general operating budget.

The Keystone 93 grants program is a competitive grants process created in 1994 by Act 1993-50. Keystone Recreation, Park and Conservation funding is available to Pennsylvania non-profit organizations and public agencies that operate a publicly accessible historic property listed in, or eligible for the National Register of Historic Places, or that operates a contributing historic property in a National Register historic district. Grants are awarded on a 50-50 matching basis and support projects in the areas of redevelopment, preservation, and rehabilitation, restoration and other related projects.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Museum assistance competitive grants awarded	108	157	175	175	150	150	150
Museum assistance general operating support grants	40	43	45	45	47	48	48

Funding level does not always affect program measure data because grant funding and number of grants are not necessarily proportionate.


Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Museum Assistance</p> <p>\$ -320 —nonrecurring projects.</p> <p>1,200 —to continue current program.</p> <p>\$ 880 —Appropriation Increase</p>	<p>Humanities Activities</p> <p>\$ -100 —this budget proposes the elimination of this program.</p>
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Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Museum Assistance	\$ 2,606	\$ 2,926	\$ 3,806	\$ 3,806	\$ 3,806	\$ 3,806	\$ 3,806
Humanities Activities	75	100	.....	.....	.....	.....	.....
TOTAL GENERAL FUND	\$ 2,681	\$ 3,026	\$ 3,806	\$ 3,806	\$ 3,806	\$ 3,806	\$ 3,806



Commonwealth of Pennsylvania

Housing Finance Agency

The Housing Finance Agency provides funding for construction and substantial rehabilitation of multi-family housing and purchase, rehabilitation, home improvement and energy conservation for single family homes.

A Homeowner's Emergency Assistance Program also provides assistance through the provision of temporary mortgage assistance payments to those threatened with loss of their home due to financial hardship.

HOUSING FINANCE AGENCY

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
<u>GENERAL FUND</u>			
<i>GRANTS AND SUBSIDIES:</i>			
Homeowners Emergency Mortgage Assistance	\$ 19,500	\$ 18,500	\$ 18,500
PennHOMES .....	....	4,000	....
GENERAL FUND TOTAL .....	....	\$ 22,500	\$ 18,500
 <u>OTHER FUNDS</u>			
<i>NURSING HOME LOAN FUND:</i>			
Low-Income Housing Loan Program	\$ 10,000	....	....
OTHER FUNDS TOTAL	\$ 10,000	....	....
 DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 19,500	\$ 22,500	\$ 18,500
OTHER FUNDS	10,000	....	....
TOTAL ALL FUNDS	\$ 29,500	\$ 22,500	\$ 18,500

HOUSING FINANCE AGENCY

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
COMMUNITY DEVELOPMENT AND CONSERVATION							
General Funds.....	\$ 19,500	\$ 22,500	\$ 18,500	\$ 18,500	\$ 18,500	\$ 18,500	\$ 18,500
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	0	0	0	0	0	0	0
Other Funds.....	10,000	0	0	0	0	0	0
TOTAL.....	\$ 29,500	\$ 22,500	\$ 18,500	\$ 18,500	\$ 18,500	\$ 18,500	\$ 18,500
ALL PROGRAMS:							
GENERAL FUND.....	\$ 19,500	\$ 22,500	\$ 18,500	\$ 18,500	\$ 18,500	\$ 18,500	\$ 18,500
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	10,000	0	0	0	0	0	0
TOTAL.....	\$ 29,500	\$ 22,500	\$ 18,500	\$ 18,500	\$ 18,500	\$ 18,500	\$ 18,500

HOUSING FINANCE AGENCY

PROGRAM OBJECTIVE: To provide and maintain adequate, affordable and safe housing for Commonwealth citizens.

Program: Community Development and Conservation

The Pennsylvania Housing Finance Agency (PHFA) operates programs to increase and protect the supply of decent, safe and affordable multi-family rental and single family homeownership housing. These programs are financed with proceeds from the sale of securities to private investors. The PHFA also operates the Homeowners Emergency Mortgage Assistance Program (HEMAP), a program to protect distressed homeowners from foreclosure. This program is supported by an annual General Fund appropriation.

The Single Family Homeownership Program is the PHFA home buyer assistance program, which offers below market rate mortgage loans to first time buyers of single family houses. Loans are available in all counties of the Commonwealth. Funds to operate the program come from the sale of mortgage revenue bonds. In 1993-94, \$239 million in tax-exempt bonds were sold to provide approximately 3,368 mortgages to first time home buyers throughout Pennsylvania.

Since 1987, PHFA has financed 6,042 rental units for the homeless and other low-income people. PHFA's funds are combined with a wide variety of public and private sources to make the low-income projects feasible.

The Homeowners Emergency Mortgage Assistance Program (HEMAP) was established by Act 91 of 1983, and was designed to protect citizens who, through no fault of their own, are in danger of losing their homes to foreclosure. In accomplishing this mandate, the program achieves the added benefit of preventing homelessness. Eligible applicants receive assistance in an amount sufficient to bring mortgage payments current and may also receive continuing assistance for up to 36 months. HEMAP payments are loans upon which repayment begins and interest starts to accrue when the recipient is financially able to pay.

Act 91 originally had a three year life, with an expiration date of December 23, 1986. The program has been extended twice, first through December 23, 1989 under provisions of Act 189 of 1986 and subsequently through December 23, 1992 by Act 79 of 1989. Act 182 of 1992 extends the program permanently.

Since its creation in 1972, PHFA has committed financing to 36,213 apartment units and 47,529 single family homes through the sale of over \$3.7 billion of tax-exempt and taxable bonds. It has channelled over \$13 million of General Fund monies into the HEMAP Program to save more than 17,700 homes from foreclosure.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Persons eligible for HEMAP loans	2,495	2,565	2,565	2,565	2,565	2,565	2,565
Approved mortgage assistance loans	2,185	2,565	2,565	2,565	2,565	2,565	2,565
Dollar value of assistance loans recorded (in thousands)	\$25,262	\$26,268	\$26,566	\$26,566	\$26,566	\$26,566	\$26,566
Average mortgage assistance loan	\$10,125	\$10,241	\$10,357	\$10,357	\$10,357	\$10,357	\$10,357
Mortgage assistance loans qualifying for repayment	3,158	3,149	3,149	3,149	3,149	3,149	3,149
Outstanding principal balance of mortgage assistance loans qualifying for repayment (in thousands)	\$21,541	\$32,249	\$32,614	\$32,614	\$32,614	\$32,614	\$32,614

The increase in the program measures projected for both the number of approved mortgage assistance loans and the dollar value of assistance loans recorded is attributed to ongoing General Fund support for the program.

The program measure for the number of mortgage assistance loans qualifying for repayment increased from those shown in the previous budget because of the increased number of loans deemed eligible during PHFA's annual recertification process. Loans are reviewed annually to determine changes that impact on one's ability to make repayments.

The measure for the outstanding principal balance of mortgage assistance loans qualifying for repayment has decreased from the amount shown in the 1994-95 Governor's Budget. This change is impacted by changes in the measures for the average loan amount and the number of mortgage assistance loans qualifying for repayment.

HOUSING FINANCE AGENCY

Program: Community Development and Conservation (continued)
Program Recommendations: _____

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND:


PennHOMES

\$ -4,000 --nonrecurring projects.

The Homeowners Emergency Mortgage Assistance Program is recommended at the 1994-95 level.

Appropriations within this Program: _____

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Homeowners Emergency Mortgage Assistance	\$ 19,500	\$ 18,500	\$ 18,500	\$ 18,500	\$ 18,500	\$ 18,500	\$ 18,500
PennHOMES .....	.....	4,000	.....	.....	.....	.....	.....
TOTAL GENERAL FUND	<u>\$ 19,500</u>	<u>\$ 22,500</u>	<u>\$ 18,500</u>	<u>\$ 18,500</u>	<u>\$ 18,500</u>	<u>\$ 18,500</u>	<u>\$ 18,500</u>



Commonwealth of Pennsylvania

Infrastructure Investment Authority

The Pennsylvania Infrastructure Investment Authority administers the PENNVEST program authorized in Act 16 of 1988. This program provides financial assistance, in the form of loans and grants, to municipal authorities and private owners for improving community drinking water supply systems and sewage treatment facilities.

INFRASTRUCTURE INVESTMENT AUTHORITY

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
<u>GENERAL FUND</u>			
GRANTS AND SUBSIDIES:			
PENNVEST	\$ 10,000 ^a	\$ 6,000 ^a	.....
(F) Sewage Projects Revolving Loan Fund .....	.....	51,500 ^b	\$ 41,500 ^b
GENERAL FUND TOTAL	<u>\$ 10,000 ^a</u>	<u>\$ 57,500</u>	<u>\$ 41,500</u>
 <u>PENNVEST FUNDS</u>			
PENNVEST Operations (EA)	\$ 3,143	\$ 3,086	\$ 3,050
(A) Loan Closing Service Fees	15	.....	.....
Grants — Other Revenue Sources (EA)	6,808	7,000	5,000
(R) Revenue Bond Loan Pool (EA)	30	2,500	50
(R) Revolving Loans	16,028	27,500	26,238
Subtotal — Executive Authorization	<u>\$ 26,024</u>	<u>\$ 40,086</u>	<u>\$ 34,338</u>
PENNVEST Water Pollution Control Revolving Fund	6,351	8,755	8,500
(F) Sewage Projects Revolving Loan Fund	29,733 ^b	51,500 ^b	41,500 ^b
PENNVEST Revolving Fund	38,682	20,000	30,000
PENNVEST Nonrevolving Equity Fund	39,593	.....	.....
PENNVEST FUNDS TOTAL	<u>\$ 140,383</u>	<u>\$ 120,341</u>	<u>\$ 114,338</u>
 DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 10,000	\$ 6,000	\$
FEDERAL FUNDS	29,733	51,500	41,500
AUGMENTATIONS	15	.....	.....
RESTRICTED REVENUES	16,058	30,000	26,288
OTHER FUNDS	94,577	38,841	46,550
TOTAL — ALL FUNDS	<u>\$ 150,383</u>	<u>\$ 126,341</u>	<u>\$ 114,338</u>

^a General Fund appropriations are transferred to the PENNVEST Fund. These appropriations are deposited into the PENNVEST Fund with other sources of revenue such as investments.

^b Federal Fund appropriations from the General Fund are transferred to the PENNVEST Water Pollution Control Revolving Fund and, therefore, are excluded from the totals to avoid duplication and provide a more accurate representation of the use of Federal funds.

INFRASTRUCTURE INVESTMENT AUTHORITY

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	ACTUAL	AVAILABLE	BUDGET	ESTIMATED	ESTIMATED	ESTIMATED	ESTIMATED
PENNVEST							
General Funds.....	\$ 10,000	\$ 6,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	0	51,500	41,500	41,500	41,500	41,500	41,500
Other Funds.....	140,383	120,341	114,338	114,465	114,575	114,702	114,837
TOTAL.....	\$ 150,383	\$ 177,841	\$ 155,838	\$ 155,965	\$ 156,075	\$ 156,202	\$ 156,337
	=====	=====	=====	=====	=====	=====	=====
ALL PROGRAMS:							
GENERAL FUND.....	\$ 10,000	\$ 6,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	51,500	41,500	41,500	41,500	41,500	41,500
OTHER FUNDS.....	140,383	120,341	114,338	114,465	114,575	114,702	114,837
TOTAL.....	\$ 150,383	\$ 177,841	\$ 155,838	\$ 155,965	\$ 156,075	\$ 156,202	\$ 156,337
	=====	=====	=====	=====	=====	=====	=====

INFRASTRUCTURE INVESTMENT AUTHORITY

PROGRAM OBJECTIVE: To promote public health and a clean environment and to further economic development in the Commonwealth by providing a financing program, technical assistance and administrative support for community drinking water systems and municipal sewage treatment facilities.

Program: PENNVEST

The PENNVEST Program authorized in 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. Funding these needed improvements has often proved difficult, especially for small communities.

Initial funding for the PENNVEST Fund comes from several sources: direct appropriation from the General Fund, the \$300 million bond issue approved by voter referendum, the balance of approved Water Facilities Loan Fund bonds, Federal seed money for a sewage treatment facilities revolving loan fund, and some available Capital Facilities bonds. In addition, Act 5 of 1992 authorized a \$350 million bond issue, which was approved by referendum, to provide additional funding for the program. In 1990-91 the PENNVEST Revenue Bond Pool Program began providing additional funding. Added to this will be interest earnings on the fund's cash flow, and interest and principal payments made on loans.

PENNVEST funds are used for loans and grants to municipalities,

municipal authorities and private firms to improve water and sewage systems they own. Also, the Pennsylvania Infrastructure Investment Authority, supported by the Department of Environmental Protection, helps owners apply for funding, provides assistance in planning and designing funded projects, and, if necessary, reviews the applicant's operations to improve efficiency.

To facilitate fund management and accounting, several separate funds have been established. The PENNVEST Fund serves as the repository of appropriated General Fund monies, interest and investment income, and loan repayments. In addition to loans and grants, administrative costs are paid from this fund. The Water Pollution Control Revolving Fund combines the Federal seed money and the Commonwealth's required matching funds to create a revolving loan fund for sewage treatment facilities construction. The PENNVEST Revolving Fund and the PENNVEST Non-Revolving Equity Fund receive the proceeds from the sale of bonds mentioned above and segregate revolving and non-revolving loans. The PENNVEST Revenue Bond Pool is supported by loan interest and principal repayments from the revolving and non-revolving loans and disburses the proceeds from the sale of PENNVEST Revenue Bonds.

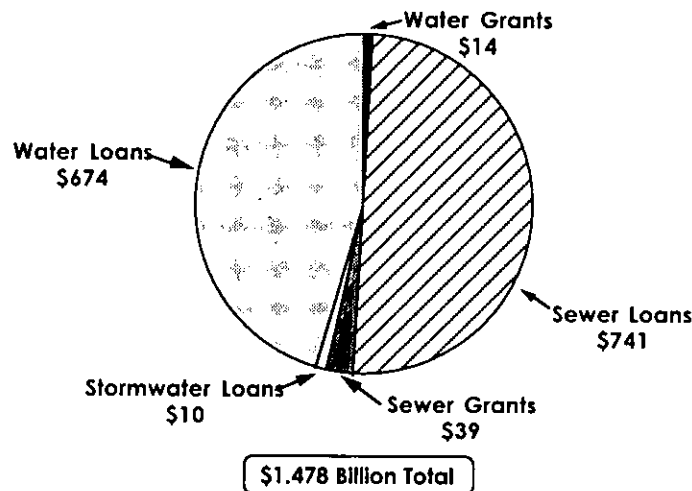
Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
PENNVEST projects implemented	79	80	108	60	40	25	25
PENNVEST awards (in millions):							
Loans	\$ 175	\$ 175	\$ 125	\$ 80	\$ 40	\$ 22	\$ 12
Grants	3	3	3	3	3	3	2
Total	<u>\$ 178</u>	<u>\$ 178</u>	<u>\$ 128</u>	<u>\$ 83</u>	<u>\$ 43</u>	<u>\$ 25</u>	<u>\$ 14</u>

The program measures showing the number of projects implemented and the amounts awarded decrease as the current bond authorization is committed and less money is available for additional projects and loans.

Loans and Grants Approved

through December 1994 (millions of dollars)



INFRASTRUCTURE INVESTMENT AUTHORITY

Program: PENNVEST

Program Recommendations: _____

This budget recommends the following changes: (Dollar Amounts in Thousands)


Grants disbursements totalling \$5 million and administrative costs are to be funded from existing non-General Fund sources.

Appropriations within this Program: _____

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
PENNVEST	\$ 10,000	\$ 6,000	.....	.....	.....	.....	.....

Funds Available for Grants and Administrative Expenses: _____

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
PENNVEST	\$ 10,000	\$ 6,000	.....	.....	.....	.....	.....
PENNVEST FUND:							
Investment Income	1,940	2,000	\$ 2,000	\$ 1,000	\$ 750	\$ 750	\$ 750
TOTAL ALL FUNDS	\$ 11,940	\$ 8,000	\$ 2,000	\$ 1,000	\$ 750	\$ 750	\$ 750



Commonwealth of Pennsylvania

Insurance Department

The Insurance Department executes the insurance laws of the Commonwealth, examines and supervises domestic insurance companies, settles complaints and regulates insurance rates. The department also licenses Pennsylvania and out-of-state companies, makes investigations of alleged violations of the law and supervises the dissolution of companies.

INSURANCE

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 12,132 ^a	\$ 13,950 ^a	\$ 14,910
(A) Companies in Liquidation	1,466	1,442	1,545
(A) Pennsylvania Bulletin and Code Regulations	170	186	193
(A) Duplicating and Mailing Services	27	20	20
(A) Workers' Compensation Security Services	283	296	266
(A) Reimbursements — Examination Travel	570	500	500
(A) Reimbursements — Market Conduct Travel	52	50	50
(A) Underground Storage Tank Indemnification Fund Expense	25	65	50
(A) Reimbursement — Children's Health Insurance .....	....	....	33
(A) Reimbursement — Catastrophic Loss Benefits Continuation Fund .....	....	....	9
Children's Health Insurance Management Team	65	70	112
STATE FUNDS	\$ 12,197	\$ 14,020	\$ 15,022
AUGMENTATIONS	2,593	2,559	2,666
GENERAL FUND TOTAL	\$ 14,790	\$ 16,579	\$ 17,688
OTHER FUNDS			
GENERAL FUND:			
Children's Health Fund	\$ 8,941	\$ 21,500	\$ 21,500
Single Licensing	314	325	....
GENERAL FUND TOTAL	\$ 9,255	\$ 21,825	\$ 21,500
CATASTROPHIC LOSS BENEFITS CONTINUATION FUND:			
Administration	\$ 1,361	\$ 1,345	\$ 1,223
Claims	26,900	26,000	14,000
Loan Repayment	6,642	6,792	....
CATASTROPHIC LOSS BENEFITS CONTINUATION FUND TOTAL	\$ 34,903	\$ 34,137	\$ 15,223
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND:			
Administration	\$ 2,928	\$ 7,015	\$ 3,996
Claims	205	60,000	81,000
Loan Payment .....	....	334	....
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND TOTAL	\$ 3,133	\$ 67,349	\$ 84,996
OTHER FUNDS TOTAL	\$ 47,291	\$ 123,311	\$ 121,719
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 12,197	\$ 14,020	\$ 15,022
AUGMENTATIONS	2,593	2,559	2,666
OTHER FUNDS	47,291	123,311	121,719
TOTAL ALL FUNDS	\$ 62,081	\$ 139,890	\$ 139,407

^a Excludes \$15,000 for discontinued interagency billing.

INSURANCE

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
INSURANCE INDUSTRY REGULATION							
General Funds.....	\$ 12,197	\$ 14,020	\$ 15,022	\$ 15,549	\$ 16,078	\$ 16,688	\$ 17,340
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	0	0	0	0	0	0	0
Other Funds.....	49,884	125,870	124,385	146,708	174,987	194,308	169,650
TOTAL.....	\$ 62,081	\$ 139,890	\$ 139,407	\$ 162,257	\$ 191,065	\$ 210,996	\$ 186,990
ALL PROGRAMS:							
GENERAL FUND.....	\$ 12,197	\$ 14,020	\$ 15,022	\$ 15,549	\$ 16,078	\$ 16,688	\$ 17,340
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	49,884	125,870	124,385	146,708	174,987	194,308	169,650
TOTAL.....	\$ 62,081	\$ 139,890	\$ 139,407	\$ 162,257	\$ 191,065	\$ 210,996	\$ 186,990

PROGRAM OBJECTIVE: To serve Pennsylvania's insurance consumers through fair and efficient regulation of the insurance industry.

Program: Insurance Industry Regulation

The Insurance Department's responsibilities are to protect insurance companies by providing adequate safeguards; to ensure that products are available at an affordable price; and to provide a fair regulatory climate that will encourage insurance companies to conduct business in the Commonwealth.

The Insurance Department regulates all aspects of the insurance industry in Pennsylvania. It supervises the operation of 1,500 insurance companies; authorizes the admission of new insurers to the State; tests and licenses insurance agents, brokers and bondsmen; reviews and pre-approves over 82,000 rate and policy form filings each year; conducts adjudicatory hearings; and handles nearly 300,000 consumer inquiries annually.

Act 6 of 1990 made significant strides in lowering the cost of auto insurance for all Pennsylvanians. The casualty rating office has handled mandatory rate rollbacks, requests for relief under the extraordinary circumstances section of the law, and is now overseeing the return to a traditional marketplace where auto insurance premiums are still lower today than they were prior to the enactment of the law.

The Insurance Department manages the Children's Health Insurance Program which makes available to working parents a comprehensive, low cost health insurance plan for eligible children. This coverage is funded from a portion of cigarette tax receipts as well as from payments by working families in accordance with a sliding fee scale.

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 an increasing number of financially troubled insurers and the national attention focused on the quality of state regulation of insurer solvency, the department has committed additional resources to improvements in solvency

regulation. Efforts continue to implement an automated solvency surveillance system designed to permit earlier identification of potentially troubled insurers. Resources continue to be focused on improving the effectiveness of regulatory actions taken to require insurers to correct problems before they lead to insolvency. This major initiative will also bring Pennsylvania into compliance with minimum standards for state regulation of insurer solvency developed by the National Association of Insurance Commissioners.

The Bureau of Consumer Services' four regional offices provide the public with insurance information, education and complaint resolution services. The department's Bureau of Enforcement conducts field investigations of insurance law violations and undertakes on-site market conduct examinations of insurance company operations.

The department manages the Catastrophic Loss Benefit Continuation Fund, funded through certain motor vehicle offense surcharge fees, which provides benefits to Pennsylvanians who were catastrophically injured in motor vehicle accidents prior to January 1, 1990, and incurred medical expenses in excess of \$100,000 up to a lifetime aggregate of \$1 million. Act 70 of 1990 authorized the CAT Fund to borrow funds from the Workers' Compensation Security Fund. Borrowed funds will be fully repaid in 1995-96.

The department also manages the activities of the Underground Storage Tank Indemnification Fund established after the passage of the Storage Tank and Spill Prevention Act of July 6, 1989. This program provides claims payments to owners and operators of underground storage tanks. It is funded through a fee charged for each gallon of product purchased and an assessment on each underground storage tank in Pennsylvania.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Consumer savings from departmental intervention in insurance claim disputes (in thousands)	\$3,971	\$5,000	\$5,150	\$5,150	\$5,150	\$5,150	\$5,150
Companies in liquidation	28	23	18	18	18	18	18
Rate filings reviewed	16,625	17,000	17,000	17,000	17,000	17,000	17,000
Administrative hearings held	480	525	525	525	525	525	525

INSURANCE

Program: Insurance Industry Regulation (continued)

Program Measures: (continued)

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Policy/form filings reviewed	65,665	70,000	70,000	70,000	70,000	70,000	70,000
Companies examined	108	108	108	108	108	108	108
Continuing care providers regulated	100	102	102	102	102	102	102
Enforcement investigations completed	295	300	300	300	300	300	300
Insurer market conduct examinations completed	50	60	60	60	60	60	60

The decrease in consumer savings as a result of departmental intervention in insurance claim disputes from those shown in the prior budget is attributed to increased monitoring efforts which result in greater compliance among insurance companies.

The decrease in the program measures for both rate filings and policy/form filings reviewed from those in last year's budget is the result of the impact of Act 6 of 1990 and a reduction the number of forms submitted to the Department.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	General Government Operations
\$ -1,251	—nonrecurring projects.
158	—Initiative — Automated Technology Enhancements - State Interface Technology Enhancement (SITE) - To continue access to the national computerized database of financial information on licensed insurers.
2,053	—to fund current program.
<u>\$ 960</u>	<i>Appropriation Increase</i>
	Children's Health Insurance Management Team
\$ 42	—to fund current program.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
General Government Operations	\$ 12,132	\$ 13,950	\$ 14,910	\$ 15,432	\$ 15,957	\$ 16,562	\$ 17,209
Children's Health Insurance Management Team	65	70	112	117	121	126	131
TOTAL GENERAL FUND	<u>\$ 12,197</u>	<u>\$ 14,020</u>	<u>\$ 15,022</u>	<u>\$ 15,549</u>	<u>\$ 16,078</u>	<u>\$ 16,688</u>	<u>\$ 17,340</u>



Commonwealth of Pennsylvania

Department of Labor and Industry

The Department of Labor and Industry serves the labor and industrial interests of the Commonwealth by promoting the health, welfare and safety of employes; maintaining continuous production and employment by acting to reduce industrial strife; rehabilitating the vocationally handicapped; stabilizing the income of employes who become victims of certain occupational diseases or who sustain work related injuries; promoting apprenticeship training programs and assisting displaced workers in retraining and/or relocation.

LABOR AND INDUSTRY

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 8,046 *	\$ 8,130 *	\$ 7,470
(F) Disability Determination	52,115	55,884	57,747
(F) JTPA — Administration	2,792	3,670	5,777
(F) Community Service and Corps	9,741	12,200	12,300
(F) National Occupational Information Coordinating Committee	279	291	307
(A) Federal Indirect Cost Reimbursements	402	1,200	1,700
Total — General Government Operations	\$ 73,375	\$ 81,375	\$ 85,301
Occupational and Industrial Safety	\$ 8,634	\$ 8,444	\$ 8,454
(F) Asbestos Certification	262	150	150
(A) Federal Indirect Cost Reimbursements	411	1,200	1,700
Right-to-Know	1,079	1,110	1,140
(F) Innovative Technology Grant .....	....	30	....
PENNSERVE	760	760	....
Literacy Corps Pilot Project	515	565	....
Pennsylvania Conservation Corps .....	....	....	6,000
Subtotal — State Funds	\$ 19,034	\$ 19,009	\$ 23,064
Subtotal — Federal Funds	65,189	72,225	76,281
Subtotal — Augmentations	813	2,400	3,400
Total — General Government	\$ 85,036	\$ 93,634	\$ 102,745
GRANTS AND SUBSIDIES:			
Transfer to State Workers' Insurance Fund .....	....	\$ 24,104	....
Occupational Disease Payments	\$ 4,405	4,015	\$ 3,770
Transfer to Vocational Rehabilitation Fund	22,136	27,547	23,206
Supported Employment	899	899	899
Physical Rehabilitation Center	200	....	....
Centers for Independent Living	920	920	920
Workers' Compensation Payments	600	510	464
Dislocated Workers	3,500	2,500	2,500
Job Centers	2,840	2,162	2,162
(F) Joint Jobs Initiative	28,996	32,533	30,000
(F) JTPA — Dislocated Workers	49,912	103,000	113,077
(F) JTPA — Incentive Grants	6,499	6,743	7,080
(F) JTPA — Grants to Service Delivery Areas	74,000	76,800	80,640
(F) JTPA — Summer Youth	85,000	85,000	85,000
(F) JTPA — Older Workers	4,498	4,668	4,901
(F) JTPA — Veterans' Employment	873	873	546
(A) Joint Jobs Initiative	15,444	18,188	21,252
Total — Job Centers	\$ 268,062	\$ 329,967	\$ 344,658
Subtotal — State Funds	\$ 35,500	\$ 62,657	\$ 33,921
Subtotal — Federal Funds	249,778	309,617	321,244
Subtotal — Augmentations	15,444	18,188	21,252
Total — Grants and Subsidies	\$ 300,722	\$ 390,462	\$ 376,417
STATE FUNDS	\$ 54,534	\$ 81,666	\$ 56,985
FEDERAL FUNDS	314,967	381,842	397,525
AUGMENTATIONS	16,257	20,588	24,652
GENERAL FUND TOTAL	\$ 385,758	\$ 484,096	\$ 479,162

* Excludes \$46,000 for discontinued interagency billing.

LABOR AND INDUSTRY

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
<u>ECONOMIC REVITALIZATION FUND</u>			
<i>GENERAL GOVERNMENT:</i>			
Pennsylvania Conservation Corps	\$ 6,000	\$ 6,000	....
<u>OTHER FUNDS</u>			
<i>GENERAL FUND:</i>			
Asbestos Occupations Accreditation and Certification	\$ 677	\$ 1,005	\$ 928
<i>ADMINISTRATION FUND:</i>			
Administration of Unemployment	\$ 198,976	\$ 188,360	\$ 192,000
<i>HAZARDOUS MATERIALS RESPONSE FUND:</i>			
Hazardous Materials Response Administration	\$ 1	\$ 180	\$ 315
<i>REHABILITATION CENTER FUND:</i>			
Operation of Rehabilitation Center	\$ 13,855	\$ 14,300	\$ 14,900
<i>VOCATIONAL REHABILITATION FUND:</i>			
Administration of Vocational Rehabilitation*	\$ 97,379	\$ 108,718	\$ 92,553
<i>WORKMEN'S COMPENSATION ADMINISTRATION FUND:</i>			
Administration of Workers' Compensation	\$ 24,678	\$ 41,598	\$ 42,643
OTHER FUNDS TOTAL	\$ 335,566	\$ 354,161	\$ 343,339
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 54,534	\$ 81,666	\$ 56,985
SPECIAL FUNDS	6,000	6,000	....
FEDERAL FUNDS	314,967	381,842	397,525
AUGMENTATIONS	16,257	20,588	24,652
OTHER FUNDS	335,566	354,161	343,339
 TOTAL ALL FUNDS	 \$ 727,324	 \$ 844,257	 \$ 822,501

* Excludes transfer from General Fund.

LABOR & INDUSTRY

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
COMMUNITY AND OCCUPATIONAL SAFETY AND STABILITY							
General Funds.....	\$ 17,759	\$ 17,684	\$ 17,064	\$ 17,764	\$ 18,367	\$ 19,066	\$ 19,809
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	541	471	457	457	457	457	457
Other Funds.....	1,491	3,585	4,643	4,694	4,738	4,789	4,843
TOTAL.....	\$ 19,791	\$ 21,740	\$ 22,164	\$ 22,915	\$ 23,562	\$ 24,312	\$ 25,109
WORKERS COMPENSATION AND ASSISTANCE							
General Funds.....	\$ 5,005	\$ 28,629	\$ 4,234	\$ 3,800	\$ 3,460	\$ 3,120	\$ 2,780
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	52,115	55,884	57,747	57,747	57,747	57,747	57,747
Other Funds.....	223,654	229,958	234,643	244,263	252,568	262,165	272,389
TOTAL.....	\$ 280,774	\$ 314,471	\$ 296,624	\$ 305,810	\$ 313,775	\$ 323,032	\$ 332,916
JOB TRAINING DEVELOPMENT							
General Funds.....	\$ 7,615	\$ 5,987	\$ 10,662	\$ 10,662	\$ 10,662	\$ 10,662	\$ 10,662
Special Funds.....	6,000	6,000	0	0	0	0	0
Federal Funds.....	262,311	325,487	339,321	339,321	339,321	339,321	339,321
Other Funds.....	15,444	18,188	21,252	21,252	21,252	21,252	21,252
TOTAL.....	\$ 291,370	\$ 355,662	\$ 371,235	\$ 371,235	\$ 371,235	\$ 371,235	\$ 371,235
VOCATIONAL REHABILITATION							
General Funds.....	\$ 24,155	\$ 29,366	\$ 25,025	\$ 25,025	\$ 25,025	\$ 25,025	\$ 25,025
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	0	0	0	0	0	0	0
Other Funds.....	111,234	123,018	107,453	111,859	115,662	120,057	124,739
TOTAL.....	\$ 135,389	\$ 152,384	\$ 132,478	\$ 136,884	\$ 140,687	\$ 145,082	\$ 149,764
ALL PROGRAMS:							
GENERAL FUNDS.....	\$ 54,534	\$ 81,666	\$ 56,985	\$ 57,251	\$ 57,514	\$ 57,873	\$ 58,276
SPECIAL FUNDS.....	6,000	6,000	0	0	0	0	0
FEDERAL FUNDS.....	314,967	381,842	397,525	397,525	397,525	397,525	397,525
OTHER FUNDS.....	351,823	374,749	367,991	382,068	394,220	408,263	423,223
TOTAL.....	\$ 727,324	\$ 844,257	\$ 822,501	\$ 836,844	\$ 849,259	\$ 863,661	\$ 879,024

LABOR AND INDUSTRY

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.

The income of employees is protected by Minimum Wage, Wage Payment and Collection, and Prevailing Wage laws which the department strictly enforces. Payment of prevailing wage rates is monitored by field inspections conducted by the Prevailing Wage Division. Monitoring of the Minimum Wage and Wage Payment and Collection laws is the responsibility of the Bureau of Labor Standards. The Bureau of Labor Standards also protects workers' rights by ensuring compliance with the Child Labor, Seasonal Farm Labor, Industrial Homework, Personnel File, Equal Pay and Medical Pay laws. The Bureau of Labor Standards informs employees and employers about the laws, conducts investigations and resolves disputes.

Labor relations stability is promoted through the provision of mediation services to the public and private sectors. Under the Public Employee Relations Act, parties to a contract in the public sector must notify the department if no agreement has been reached after contract negotiations have commenced. In the private sector, dispute notices must be filed with the department based on the National Labor Relations Act. Mediation services are mandatory in the public sector and voluntary in the private sector. Each year over 1,000 cases are mediated by the department.

The Pennsylvania Labor Relations Board enforces and implements the provisions of the Commonwealth's laws relating to private and public sector collective bargaining, including the Pennsylvania Labor Relations Act, the Public Employee Relations Act, Act 88 of 1992 and Act 111 of 1968, providing collective bargaining and arbitration rights to police and fire employees. The board determines collective bargaining representatives, prevents and discourages unfair practices and in the public sector, contributes to the resolution of bargaining disputes by the issuance of arbitration panels and the appointment of fact finders.

The Office of Labor-Management Cooperation complements the department's mediation efforts by creating an environment in which management and labor can best do their job through collaboration, not confrontation. The office prepares and distributes a quarterly newsletter to provide topical information to 10,000 labor-management leaders Statewide and offers technical assistance through a network of labor-management innovators or local committees which have been formed throughout the State. The Schools Cooperation Committee helps improve labor-management relations in the public schools. This Statewide committee, comprising leadership of the top education organizations and co-chaired by the Secretaries of the Departments of Labor and Industry and Education, meets regularly to address educational policy issues. The Committee also assisted in the creation of 30 local Schools Cooperation Committees across Pennsylvania.

The Fire and Panic, Building Energy Conservation, Elevator, Bedding and Upholstery, Stuffed Toy, Employment Agency, LP Gas, Boiler, and Asbestos Occupations Accreditation and Certification laws are all administered by the Bureau of Occupational and Industrial Safety. The bureau enforces the acts through promulgation of regulations, conducting field inspections, licensing and certifying, and investigating complaints. The department is also responsible to insure that buildings are accessible and usable by persons with disabilities under the State's Universal Accessibility Act.

The Worker and Community Right-to-Know Act requires all employers doing business in Pennsylvania to provide certain information about hazardous chemicals found in their workplace and to make that information available to emergency response organizations and the public. The department enforces worker right-to-know provisions for public employees and those in the mining industry.

The Office for the Deaf and Hearing Impaired responds to requests for information and referral, promotes access for people who are deaf, and provides public education about hearing loss and deafness.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Minimum wage violations cited	3,998	3,500	3,500	3,500	3,500	3,500	3,500
Child labor law violations	2,114	1,800	1,800	1,800	1,800	1,800	1,800
Right-to-know — education/outreach programs	40	40	40	40	40	40	40
Nonpayment of wage violations	929	1,000	1,000	1,000	1,000	1,000	1,000
Mediated cases involving work stoppages:							
Public bargaining units	2.9%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Private bargaining units	3.4%	10%	10%	10%	10%	10%	10%
Unfair labor practice cases concluded	486	500	500	500	500	500	500
Union representation cases concluded	139	140	140	140	140	140	140
Total inspections performed	116,883	120,000	120,000	120,000	120,000	120,000	120,000
Building approvals issued	12,271	12,000	12,000	12,000	12,000	12,000	12,000
New buildings certified	7,594	5,700	5,700	5,700	5,700	5,700	5,700
Renovations of existing buildings certified	4,677	6,300	6,300	6,300	6,300	6,300	6,300

The number of minimum wage, child labor, and non-payment of wage violations were greater than projected in last year's budget. Violations are highly variable and difficult to predict.

The percent of cases involving work stoppages was different than estimated in last year's budget because the timing of work stoppages is difficult to predict. The percentages for private and public work stoppages are expected to return to historical levels in subsequent years.

The projections for new buildings and renovations of existing buildings certified were different than projected in last year's budget. The number of building certificates is dependent on many economic variables especially construction interest rates.

LABOR AND INDUSTRY

Program: Community and Occupational Safety and Stability (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>General Government Operations</p> <p>\$ -500 —increased Federal indirect cost reimbursements.</p> <p>-500 —nonrecurring project.</p> <p>340 —to continue current program.</p> <hr/> <p>\$ -660 <i>Appropriation Decrease</i></p>	<p>Occupational and Industrial Safety</p> <p>\$ -500 —increased Federal indirect cost reimbursements.</p> <p>510 —to continue current program.</p> <hr/> <p>\$ 10 <i>Appropriation Increase</i></p> <p>Right-to-Know Act</p> <p>\$ 30 —to continue current program.</p>

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
General Government Operations	\$ 8,046	\$ 8,130	\$ 7,470	\$ 7,776	\$ 8,040	\$ 8,346	\$ 8,671
Occupational and Industrial Safety	8,634	8,444	8,454	8,801	9,100	9,446	9,814
Right-To-Know Act	1,079	1,110	1,140	1,187	1,227	1,274	1,324
TOTAL GENERAL FUND	\$ 17,759	\$ 17,684	\$ 17,064	\$ 17,764	\$ 18,367	\$ 19,066	\$ 19,809

LABOR AND INDUSTRY

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 is designed to provide income security to citizens of the Commonwealth who contract certain occupational diseases or sustain work related injuries and those who become unemployed.

On July 2, 1993, Act 44 of 1993 was signed amending the Workers' Compensation Act of 1915. The act will help employers reduce costs and preserve jobs for Pennsylvania workers. The amended law places a cap on most medical costs related to work injuries; provides an opportunity for competitive ratemaking among workers' compensation insurers, enables small business owners, farmers and local governments to pool their liabilities and be self-insured; establishes a Self-Insurance

Guaranty Fund; requires insurance companies and self-insured employers to provide accident and illness prevention services to employers; provides for managed care, tougher controls on fraud; and elimination of disincentives in the benefit structure to encourage a timely return to work; and provides the Insurance Commissioner with the authority to reject excessive rate increases.

The department also processes applications for disability benefits, gathers evidence and makes recommendations to the Social Security Administration under the Social Security Administration's Disability Determination Program guidelines.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Claimants qualifying for occupational disease payments out of Commonwealth funds	2,405	2,255	2,088	1,092	1,796	1,646	1,496
New claimants eligible for workers' compensation payments	88,580	86,000	85,000	84,500	84,000	84,000	84,000
Total petitions assigned	63,501	64,000	64,500	65,000	65,000	65,000	65,000
Judges' decisions	50,176	55,000	62,000	64,000	65,000	65,000	65,000
Average time in days — Case filed/concluded	313	305	295	280	270	270	270
New claims for unemployment compensation	644,587	576,000	602,000	602,000	602,000	602,000	602,000

The number of new claimants eligible for workers' compensation payments is less than shown in last year's budget due to revisions based on actual caseloads.

New claims for unemployment compensation were less than projected in last year's budget primarily due to the improving economy.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

- \$ -24,104 **Transfer to the State Workmen's Insurance Fund**
—nonrecurring project.
- \$ -245 **Occupational Disease Payments**
—to continue current program.
- 46 **Workers' Compensation Payments**
—to continue current program. These payments are for a special class of recipients who became eligible before March 1968, and not for new claimants shown in the program measure above whose payments are made from the State Workers' Insurance Fund and by private insurance companies.

- In addition, this budget recommends the following changes for administration of the Workers' Compensation Program through the Workmen's Compensation Administration Fund.
- \$ 1,045 **Administration of Workers' Compensation**
—to continue current program.

LABOR AND INDUSTRY

Program: Workers' Compensation Assistance (continued)

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Transfer to the State Workmen's In- surance Fund		\$ 24,104					
Occupational Disease Payments	\$ 4,405	4,015	\$ 3,770	\$ 3,400	\$ 3,100	\$ 2,800	\$ 2,500
Workers' Compensation Payments	600	510	464	400	360	320	280
TOTAL GENERAL FUND	\$ 5,005	\$ 28,629	\$ 4,234	\$ 3,800	\$ 3,460	\$ 3,120	\$ 2,780

LABOR AND INDUSTRY

PROGRAM OBJECTIVE: To provide meaningful job training and placement services in a coordinated role with other Commonwealth agencies, the private sector and the Federal Government in order to secure unsubsidized employment for unemployed Pennsylvanians.

Program: Job Training Development

This program provides a range of employment and training services through the Job Center Network, the Bureau of Employment Services and Training, the Dislocated Worker Unit, the Youth, Education and Service Unit, and the Pennsylvania Conservation Corps.

Job Centers are a Statewide network of 89 one-stop locations providing coordinated and comprehensive services to individuals seeking jobs and job-related services and to employers seeking qualified job applicants. In addition to the services available through programs administered by the Department of Labor and Industry; employment, training and support resources of other Federal, State, local and community-based organizations are provided through the Job Center Network.

Under the Federal Job Training Partnership Act (JTPA) program, state and local governments work in cooperation with the private sector to establish employment and training programs. JTPA primarily serves economically disadvantaged adults and youth. Types of training programs, eligibility requirements and distribution formulas for these programs are established by Federal law. Services provided include on-the-job training, vocational-technical skills training, job search assistance, job counseling and skills testing and assessment. Use of these funds is determined locally by a Private Industry Council (PIC) in each Service Delivery Area (SDA). The majority of the members of each PIC are representatives from private sector businesses. The other members represent community-based organizations, local education agencies, organized labor, vocational rehabilitation agencies, public assistance agencies, public employment services, and economic development organizations.

The Commonwealth also uses JTPA discretionary funding for special programs to serve veterans, welfare recipients, at-risk youth and pregnant and parenting youth. State funds are also provided to support services and job training programs for dislocated worker/rapid response programs, for pregnant and parenting teenagers as part of the Single Point of Contact (SPOC) program, and for at-risk youth.

The Department of Labor and Industry is the lead agency in administering interagency efforts associated with employment and

training programs. The Joint Jobs Initiative is designed to target resources of the departments of Labor and Industry, Public Welfare and Education. This initiative is designed to improve job training and employment service programs for welfare recipients. The SPOC program provides comprehensive employment and training services to AFDC recipients with multiple barriers to employment. Services provided by the departments of Labor and Industry, Public Welfare and Education are co-located in county assistance offices. Funding for this program is provided by each of the three agencies involved.

Also included in this program are funds to support the Jobs for Economic Growth Initiative, a model job training program for dislocated workers, welfare recipients and other hard-to-serve individuals.

The Department of Labor and Industry also administers the Economic Dislocation and Worker Adjustment Assistance Act (EDWAAA) through its Dislocated Worker Unit. As required by the Federal law, 60 percent of the Federal funds received are distributed to the SDAs to assist dislocated workers. The balance of funds are used to support rapid response efforts, special programs and administration at the State level. EDWAAA funds are used to support training and retraining and for support services and needs-related payments. In addition to the federal EDWAAA funds, State funds are used to provide needs-based payments and retraining services to dislocated workers.

The department's Rapid Response Program is operated by the Dislocated Worker Unit in conjunction with the Department of Commerce. When Commerce is unable to keep a business in Pennsylvania or forestall the layoff of employees, the department's Rapid Response Team is available to bring a wide variety of State and local resources to the plant to assist laid-off individuals in finding reemployment. The Rapid Response Team provides a variety of State and local resources, coordinated through local Job Centers, to assist dislocated workers and to help them to become reemployed. The department also promotes labor-management cooperation by encouraging the formation of labor-management committees at the plant to coordinate the mix of available services.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Job Training Partnership Program:							
Enrollments	78,900	78,900	78,900	78,900	78,900	78,900	78,900
Placements	14,600	14,600	14,600	14,600	14,600	14,600	14,600
Welfare recipients served	34,244	34,929	35,628	36,341	37,068	37,809	38,565
Joint Jobs Initiative:							
Welfare recipients who completed training	4,134	4,134	4,134	4,134	4,134	4,134	4,134
Welfare recipients placed	1,596	1,596	1,596	1,596	1,596	1,596	1,596
Average hourly wage	\$6.49	\$6.61	\$6.74	\$6.87	\$7.00	\$7.14	\$7.28
Individuals placed through Job Service ..	88,436	85,000	85,000	85,000	85,000	85,000	85,000
Individuals enrolled in on-the-job training ..	2,526	2,526	2,526	2,526	2,526	2,526	2,526
Dislocated workers:							
Dislocated workers placed	4,874	4,874	4,874	4,874	4,874	4,874	4,874
Average hourly wage	\$8.77	\$8.79	\$8.94	\$9.11	\$9.29	\$9.47	\$9.84

The number of enrollments in on-the-job training was less than projected in last year's budget because Federal regulation changes have reduced the number of eligible candidates.

LABOR AND INDUSTRY

Program: Job Training Development (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	GENERAL FUND:		ECONOMIC REVITALIZATION FUND:
	PENNSERVE		Pennsylvania Conservation Corps
\$ -760	—this budget recommends that this program be eliminated.	\$ -6,000	—program funded by the General Fund.
	Literacy Corps Pilot Project		
\$ -565	—this program is being eliminated. However, the grant portion will become part of the Adult Literacy appropriation in the Department of Education.		
	Pennsylvania Conservation Corps		
\$ 6,000	—to continue the current program previously funded from the Economic Revitalization Fund.		

All other programs are recommended to be continued at the current levels.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
PENNSERVE	\$ 760	\$ 760	.....	.....	.....	.....	.....
Literacy Corps Pilot Project	515	565	.....	.....	.....	.....	.....
Pennsylvania Conservation Corps .....	.....	.....	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000
Dislocated Workers	3,500	2,500	2,500	2,500	2,500	2,500	2,500
Job Centers	2,840	2,162	2,162	2,162	2,162	2,162	2,162
TOTAL GENERAL FUND	\$ 7,615	\$ 5,987	\$ 10,662	\$ 10,662	\$ 10,662	\$ 10,662	\$ 10,662
ECONOMIC REVITALIZATION FUND:							
Pennsylvania Conservation Corps	\$ 6,000	\$ 6,000	.....	.....	.....	.....	.....

LABOR AND INDUSTRY

PROGRAM OBJECTIVE: To enable eligible persons with disabilities to obtain competitive employment.

Program: Vocational Rehabilitation

This program, conducted in conjunction with the Federal Government, has as its target group the estimated 660,000 citizens of the Commonwealth who have physical or mental impairments that present a substantial impediment to employment.

The Federal Rehabilitation Act of 1973, as amended through 1992, established eligibility criteria for vocational rehabilitation services. Services are provided to individuals who can benefit from and who need services to prepare for, enter, or retain employment. Primary emphasis is placed on serving individuals with the most severe disabilities. These individuals generally require more extensive and varied services over an extended period of time.

To address the needs of individuals who do not meet Federal eligibility criteria due to the severity of their disability, State funds are provided for the Centers for Independent Living (CILs). CILs are non-

residential centers which provide information and referral services, peer counseling, independent living skills training and other services to Pennsylvanians with very severe disabilities.

The Supported Employment Program improves employment opportunities for those previously considered to have disabilities so severe that they could not benefit from the traditional vocational rehabilitation program. Supported employment combines job placement in the community with job training at the job site. Full-time training and support services are provided.

This program also includes the Hiram G. Andrews Center in Johnstown. The center is funded from fees for services rendered. The majority of services are provided to vocational rehabilitation clients. The center's resident and community population averages 420 persons.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Caseload:							
Carry-over from previous years	42,263	43,340	44,427	45,525	46,629	47,740	48,855
New referrals	25,387	25,641	25,897	26,027	26,157	26,288	26,419
Total caseload	67,650	68,981	70,324	71,552	72,786	74,028	75,274
Cases closed:							
Ineligible	11,293	11,406	11,520	11,578	11,635	11,694	11,752
Rehabilitated	7,066	7,137	7,208	7,244	7,280	7,317	7,353
Competitive	6,196	6,258	6,321	6,352	6,384	6,416	6,448
Noncompetitive	870	879	887	892	896	901	905
Nonrehabilitated	5,951	6,011	6,071	6,101	6,131	6,162	6,193
Total cases closed	24,310	24,554	24,799	24,923	25,046	25,173	25,298
Cases carried over	43,340	44,427	45,525	46,629	47,740	48,855	49,976
Severely disabled rehabilitated	5,027	5,037	5,128	5,154	5,179	5,205	5,231
Economic/client earnings information:							
Average weekly earnings for clients closed as competitively employed	\$260	\$262	\$265	\$266	\$268	\$269	\$270
Total weekly earnings for clients closed as competitively employed (in thousands)	\$1,476	\$1,642	\$1,675	\$1,692	\$1,709	\$1,726	\$1,743
Average taxes paid by a competitively employed client	\$3,512	\$3,548	\$3,582	\$3,601	\$3,619	\$3,637	\$3,655
Total taxes paid by competitively employed clients (in thousands)	\$21,763	\$22,201	\$22,647	\$22,874	\$23,103	\$23,335	\$23,569

The number of cases closed as ineligible was less than projected in last year's budget because of Federal changes to the program eligibility criteria.

The number of cases closed in noncompetitive employment was less than projected in last year's budget due to an increased emphasis on placements in competitive employment.

LABOR AND INDUSTRY

Program: Vocational Rehabilitation (continued)

Program Recommendations: _____

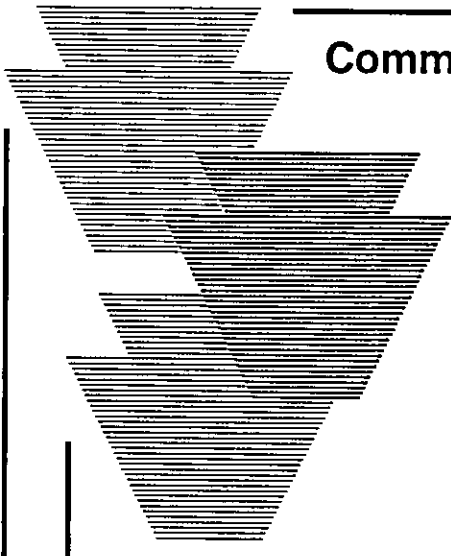
This budget recommends the following changes: (Dollar Amounts in Thousands)

Transfer to Vocational Rehabilitation Fund	
\$ -5,448	—nonrecurring projects.
1,107	—to continue current program.
\$ -4,341	<i>Appropriation Decrease</i>

All other programs are recommended to be continued at the current year levels.

Appropriations within this Program: _____

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Transfer to Vocational Rehabilitation Fund	\$ 22,136	\$ 27,547	\$ 23,206	\$ 23,206	\$ 23,206	\$ 23,206	\$ 23,206
Supported Employment	899	899	899	899	899	899	899
Centers for Independent Living	920	920	920	920	920	920	920
Physical Rehabilitation Center	200	.....	.....	.....	.....	.....	.....
TOTAL GENERAL FUND	\$ 24,155	\$ 29,366	\$ 25,025	\$ 25,025	\$ 25,025	\$ 25,025	\$ 25,025

A stylized graphic of the Commonwealth of Pennsylvania, composed of horizontal lines forming the shape of the state, located in the upper left corner of the page.

Commonwealth of Pennsylvania

Liquor Control Board

The Pennsylvania Liquor Control Board controls the manufacture, possession, sale, consumption, importation, use, storage, transportation and delivery of liquor, alcohol and malt or brewed beverages in the Commonwealth.

The board consists of three members appointed by the Governor with Senate confirmation.

The dollar amounts shown are from the State Stores Fund, a special enterprise fund, and are reflected herein as "Other Funds."

LIQUOR CONTROL BOARD

Summary by Fund and Appropriation

	1993-94	(Dollar Amounts in Thousands)	1995-96
	Actual	1994-95 Available	Budget
<u>OTHER FUNDS</u>			
<i>STATE STORES FUND:</i>			
General Operations (EA)	\$ 186,570	\$ 202,968	\$ 208,013
(F) Highway Safety — Responsible Alcohol Management Training	141	166	....
(F) Highway Safety — Youth Alcohol Awareness .....	....	229	....
(A) Sale of Vehicles	15	....	....
Comptroller Operations (EA)	6,660	6,689	6,727
Transfer of Profits to General Fund (EA)	47,000	60,000	42,000
OTHER FUNDS TOTAL	\$ 240,386	\$ 270,052	\$ 256,740

LIQUOR CONTROL BOARD

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
LIQUOR CONTROL							
General Funds.....	\$ 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.....	240,386	270,052	256,740	262,216	267,784	273,523	279,416
TOTAL.....	\$ 240,386	\$ 270,052	\$ 256,740	\$ 262,216	\$ 267,784	\$ 273,523	\$ 279,416
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.....	240,386	270,052	256,740	262,216	267,784	273,523	279,416
TOTAL.....	\$ 240,386	\$ 270,052	\$ 256,740	\$ 262,216	\$ 267,784	\$ 273,523	\$ 279,416

LIQUOR CONTROL BOARD

PROGRAM OBJECTIVE: To control the manufacture, distribution and sale of alcoholic beverages in Pennsylvania.

Program: Liquor Control

All bottle sales of wines and spirits in Pennsylvania (with a few exceptions) are made through approximately 670 State Liquor Stores which are run by the Liquor Control Board. This includes both retail sales and wholesale sales to those private establishments which sell by the drink. While malt and brewed beverages are not sold in State Liquor Stores, the Liquor Control Board regulates these sales by licensing the distributors who do sell these items. In addition, the board licenses those

private establishments which make retail sales of alcoholic beverages by the drink.

Act 14 of 1987 reauthorized the Liquor Control Board and made some changes to its responsibilities. Most notably, enforcement of liquor laws was transferred to the Pennsylvania State Police. In addition, an Office of Administrative Law Judge, a Bureau of Wine and a Bureau of Consumer Relations were created within the Liquor Control Board.

Program Measures:


	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Pennsylvania State Liquor Stores	667	670	675	680	685	690	690
Gross sales (includes taxes) (in thousands)	\$835,041	\$834,000	\$854,850	\$876,221	\$898,127	\$920,580	\$943,594
Licenses and permits issued (all types) ..	75,077	75,000	75,000	75,000	75,000	75,000	75,000

The number of licenses and permits issued (all types) is higher than in last year's measures due to increases in the number of commercial vehicle permits and Sunday sales permits being issued.

Program Recommendations:

This budget recommends the following changes for executive authorizations within the State Stores Fund: (Dollar Amounts in Thousands)

	General Operations
\$ 5,045	—to continue current program.
	Comptroller Operations
\$ 38	—to continue current program.
	Transfer of Profits to General Fund
\$ -18,000	—decrease in amount available for transfer to General Fund. This reduces the amount of revenue transfer to the General Fund from \$60 million to \$42 million.



Commonwealth of Pennsylvania

Department of Military Affairs

The Department of Military Affairs provides organized combat-ready units, both Army and Air National Guard, for call to Federal duty in the event of national emergency and to State duty in time of disaster or civil disorder. Their duties are to protect the lives and property of the people of Pennsylvania and preserve peace, order and public safety. The Bureau of Veterans Affairs administers the laws that provide for the well-being of Pennsylvania veterans and their dependents.

The Department of Military Affairs consists of the Adjutant General, the State Armory Board, the State Veterans' Commission, the Soldiers and Sailors Home at Erie, the veterans home at Hollidaysburg, and the Southeastern Veterans Home at Spring City. The new Northeastern Home, located in Scranton, was opened in January 1994.

MILITARY AFFAIRS

Summary by Fund and Appropriation

GENERAL FUND	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Budget
GENERAL GOVERNMENT:			
General Government Operations	\$ 12,935 *	\$ 13,635 *	\$ 14,358
(F) Facilities Maintenance	2,740	7,000	8,000
(F) Employee Support	726	1,300	1,321
(F) Telecommunications Expansion	764	1,250	600
(F) Federal Construction Grants	16,872	24,000	12,200
(F) Winter Storm Disaster Aid	692	.....	.....
(A) Rental of Armories and Other Facilities	137	125	125
(A) Lt. Governor's Residence	24	20	20
(A) Reimbursement — PEMA	285	.....	.....
American Battle Monuments	4	4	79
Armory Maintenance and Repair	486	495	700
Drug Interdiction	62	62	62
Base Realignment and Closure .....	.....	.....	100
50th Anniversary of WWII .....	.....	.....	38
Subtotal — State Funds	\$ 13,487	\$ 14,196	\$ 15,337
Subtotal — Federal Funds	21,794	33,550	22,121
Subtotal — Augmentations	446	145	145
Total — General Government	\$ 35,727	\$ 47,891	\$ 37,603
INSTITUTIONAL:			
Erie Soldiers and Sailors Home	\$ 4,326	\$ 4,950	\$ 5,406
(F) Operations and Maintenance	1,175	1,288	1,444
(F) Medical Reimbursement	12	89	47
(A) Aid and Attendance Payments	307	333	333
(A) Residents Fees	1,447	1,478	1,515
Total — Erie Soldiers and Sailors Home	\$ 7,267	\$ 8,138	\$ 8,745
Holidaysburg Veterans Home	\$ 14,201	\$ 17,587	\$ 18,620
(F) Operations and Maintenance	3,640	4,028	4,809
(F) Medical Reimbursement	44	48	95
(A) Aid and Attendance Payments	1,385	1,668	1,699
(A) Residents Fees	3,550	4,199	4,304
(A) Rental Receipts	15	10	10
Total — Holidaysburg Veterans Home	\$ 22,835	\$ 27,540	\$ 29,537
Southeastern Veterans Home	\$ 7,656	\$ 9,952	\$ 11,834
(F) Operations and Maintenance	446	2,090	2,645
(A) Aid and Attendance Payments .....	.....	160	701
(A) Residents Fees	383	537	982
Total — Southeastern Veterans Home	\$ 8,485	\$ 12,739	\$ 16,162
Northeastern Veterans Home	\$ 2,873	\$ 7,308	\$ 8,803
(F) Operations and Maintenance	164	877	1,857
(F) Medical Reimbursement .....	.....	.....	20
(A) Aid and Attendance Payments	73	483	762
(A) Residents Fees	62	648	813
Total — Northeastern Veterans Home	\$ 3,172	\$ 9,316	\$ 12,255

* Excludes \$23,000 for discontinued interagency billing.

MILITARY AFFAIRS

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands)	1994-95 Available	1995-96 Budget
GENERAL FUND				
<i>INSTITUTIONAL: (continued)</i>				
Subtotal — State Funds	\$ 29,056		\$ 39,797	\$ 44,663
Subtotal — Federal Funds	5,481		8,420	10,917
Subtotal — Augmentations	7,222		9,516	11,119
Total — Institutional	<u>\$ 41,759</u>		<u>\$ 57,733</u>	<u>\$ 66,699</u>
 <i>GRANTS AND SUBSIDIES:</i>				
Education of Veterans Children	\$ 90		\$ 125	\$ 125
Education — National Guard	665		665	600
Veterans Assistance	1,414		1,416	1,416
Blind Veterans Pension	151		159	159
Paralyzed Veterans Pension	358		380	328
National Guard Pension	5		10	10
Women in Military Memorial .....	....		47	....
Total — Grants and Subsidies	<u>\$ 2,683</u>		<u>\$ 2,802</u>	<u>\$ 2,638</u>
 STATE FUNDS	 \$ 45,226		 \$ 56,795	 \$ 62,638
FEDERAL FUNDS	27,275		41,970	33,038
AUGMENTATIONS	7,668		9,661	11,264
 GENERAL FUND TOTAL	 <u>\$ 80,169</u>		 <u>\$ 108,426</u>	 <u>\$ 106,940</u>

MILITARY AFFAIRS

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
STATE MILITARY READINESS							
General Funds.....	\$ 13,487	\$ 14,243	\$ 15,337	\$ 15,742	\$ 16,275	\$ 16,891	\$ 17,548
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	21,794	33,550	22,121	22,121	22,121	22,121	22,121
Other Funds.....	446	145	145	151	156	162	168
TOTAL.....	\$ 35,727	\$ 47,938	\$ 37,603	\$ 38,014	\$ 38,552	\$ 39,174	\$ 39,837
VETERANS HOMES							
General Funds.....	\$ 29,056	\$ 39,797	\$ 44,663	\$ 47,675	\$ 49,296	\$ 51,169	\$ 53,164
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	5,481	8,420	10,917	11,579	11,931	12,294	12,672
Other Funds.....	7,222	9,516	11,119	11,691	12,090	12,547	13,036
TOTAL.....	\$ 41,759	\$ 57,733	\$ 66,699	\$ 70,945	\$ 73,317	\$ 76,010	\$ 78,872
COMPENSATION AND ASSISTANCE							
General Funds.....	\$ 2,683	\$ 2,755	\$ 2,638	\$ 2,638	\$ 2,638	\$ 2,638	\$ 2,638
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
TOTAL.....	\$ 2,683	\$ 2,755	\$ 2,638	\$ 2,638	\$ 2,638	\$ 2,638	\$ 2,638
ALL PROGRAMS:							
GENERAL FUND.....	\$ 45,226	\$ 56,795	\$ 62,638	\$ 66,055	\$ 68,209	\$ 70,698	\$ 73,350
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	27,275	41,970	33,038	33,700	34,052	34,415	34,793
OTHER FUNDS.....	7,668	9,661	11,264	11,842	12,246	12,709	13,204
TOTAL.....	\$ 80,169	\$ 108,426	\$ 106,940	\$ 111,597	\$ 114,507	\$ 117,822	\$ 121,347

MILITARY AFFAIRS

PROGRAM OBJECTIVE: To achieve and maintain a readiness capability in units of the Pennsylvania National Guard for quick and effective response to State or Federal mobilization.

Program: State Military Readiness

This program provides the administrative, logistical and training support necessary for the Pennsylvania National Guard to maintain requisite readiness capability to serve during emergencies. Such emergencies may result in full or partial mobilization of the Pennsylvania National Guard for State service in the Commonwealth or Federal service anywhere in the world. Costs for military equipment and supplies and training, such as monthly training assemblies and 15 days annual training, are funded 100 percent by the Federal Government. The Commonwealth is responsible for providing for the operation, maintenance and repair of the armories.

The readiness capability of Pennsylvania National Guard units is evaluated according to established Federal inspection and training standards. Primary efforts are directed toward having the Pennsylvania

National Guard in top readiness condition in order to perform its State and Federal missions. The training of personnel is directly dependent upon the adequacy of the operation, maintenance and repair of Air National Guard bases and installations and numerous Army National Guard armories and support facilities. To provide a quicker and more effective response to State or Federal mobilization, a Statewide communications network is in operation.

Included within this program are those activities essential to operate a network of 104 community armories which serve as training locations for National Guard units. These armories may also be utilized as mass care centers for disaster victims and to provide meeting and recreational facilities for local civic and youth organizations.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Armories	104	104	104	104	104	104	104
Pennsylvania National Guard personnel ..	23,046	23,267	23,509	23,751	23,994	23,994	23,994
Percentage of authorized strength level ..	95%	96%	97%	98%	99%	99%	99%

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>General Government Operations \$ 43 —for automated technology improvements. 680 —to maintain current program. \$ 723 <i>Appropriation Increase</i></p>	<p>50th Anniversary of WW II \$ 38 —to provide for Pennsylvania veterans participation in recognition of the 50th anniversary of WW II.</p>
<p>American Battle Monuments \$ 75 —to rehabilitate a monument to Pennsylvania veterans in France.</p>	<p>Base Realignment and Closure \$ 100 —to defend against closure of military bases in Pennsylvania.</p>
<p>Armory Maintenance and Repair \$ 205 —to provide additional funds for repair of National Guard armories.</p>	<p>Women In Military Memorial \$ -47 —nonrecurring project.</p>

The Drug Interdiction appropriation is recommended at current year amounts.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
General Government Operations	\$ 12,935	\$ 13,635	\$ 14,358	\$ 14,947	\$ 15,455	\$ 16,042	\$ 16,668
American Battle Monuments	4	4	79	4	4	4	4
Armory Maintenance and Repair	486	495	700	729	754	783	814
Drug Interdiction	62	62	62	62	62	62	62
50th Anniversary of WW II			38				
Base Realignment and Closure			100				
Women in Military Memorial		47					
TOTAL GENERAL FUND	\$ 13,487	\$ 14,243	\$ 15,337	\$ 15,742	\$ 16,275	\$ 16,891	\$ 17,548

MILITARY AFFAIRS

PROGRAM OBJECTIVE: To provide nursing and domiciliary care for veterans.

Program: Veterans Homes

The Department of Military Affairs is legally mandated to provide skilled nursing and domiciliary care for veterans who are disabled, indigent or in need of care. There are four veterans homes providing such care: the Soldiers and Sailors Home in Erie, the Veterans Home at Hollidaysburg, the Southeastern Pennsylvania Veterans Center and the Northeastern Veterans Center. The program receives assistance from the Federal Government at levels of \$15.11 per patient day for domiciliary care, \$35.37 per patient day for nursing home care, and an average of \$8.00 per day for aid-in-attendance given directly to the patient. In addition, residents pay a maintenance fee to help offset the cost of services.

Construction was recently completed on a 200 bed veterans home located in Scranton. This modern nursing care and personal care was opened for patient admissions in January 1994.

A site for the fifth veterans home has been selected on the grounds of the U.S. Department of Veterans Affairs Highland Drive facility in Pittsburgh. Ground-breaking for the new 236-bed Southwestern Veterans Center will be the Spring of 1995. Projected completion of construction is the Summer of 1997.

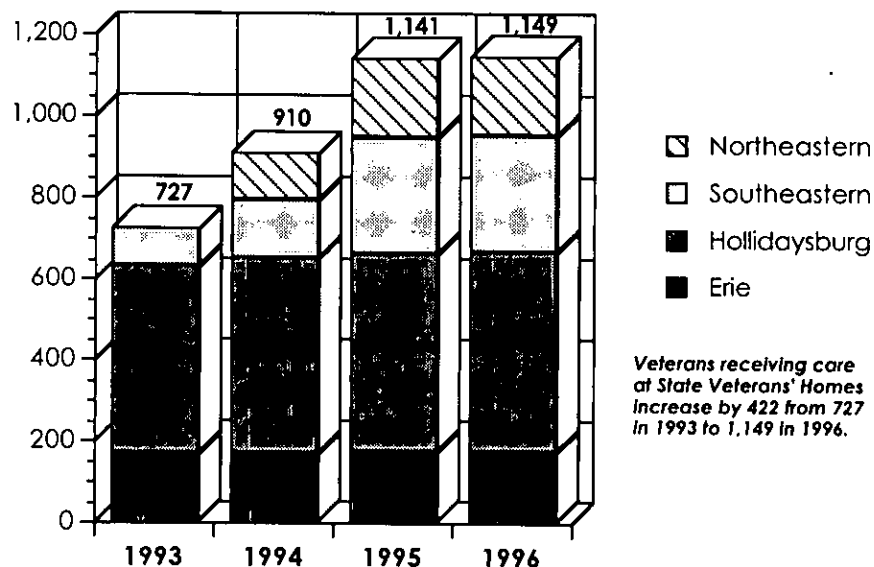
Recently, legislation was enacted that provided 19.5 acres of land for the sixth veterans home. The Delaware Valley Veterans Center will be located within Benjamin Rush State Park, Philadelphia.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Beds available (December):							
Erie	175	175	175	175	175	175	175
Hollidaysburg	515	515	515	515	515	515	515
Southeastern	112	298	298	298	298	298	298
Northeastern .....	.....	196	200	200	200	200	200
Population (December):							
Erie	169	170	174	174	174	174	174
Hollidaysburg	460	484	490	495	500	500	500
Southeastern	98	140	283	286	286	286	286
Northeastern .....	.....	116	194	194	194	194	194

State Veterans' Home

Veterans Receiving Care



MILITARY AFFAIRS

Program: Veterans Homes (continued)

State Veterans Homes — Expenditures by Institution

(Dollar Amounts in Thousands)

	1993-94	1994-95	1995-96		1993-94	1994-95	1995-96
	Actual	Available	Budget		Actual	Available	Budget
Erie Soldiers and Sailors Home				Southeastern Veterans Home			
State Funds	\$ 4,326	\$ 4,950	\$ 5,406	State Funds	\$ 7,656	\$ 9,952	\$ 11,834
Federal Funds	1,187	1,377	1,491	Federal Funds	446	2,090	2,645
Augmentations	1,754	1,811	1,848	Augmentations	383	697	1,683
TOTAL	\$ 7,267	\$ 8,138	\$ 8,745	TOTAL	\$ 8,485	\$ 12,739	\$ 16,162
Hollidaysburg Veterans Home				Northeastern Veterans Home			
State Funds	\$ 14,201	\$ 17,587	\$ 18,620	State Funds	\$ 2,873	\$ 7,308	\$ 8,803
Federal Funds	3,684	4,076	4,904	Federal Funds	164	877	1,877
Augmentations	4,950	5,877	6,013	Augmentations	135	1,131	1,575
TOTAL	\$ 22,835	\$ 27,540	\$ 29,537	TOTAL	\$ 3,172	\$ 9,316	\$ 12,255

Institution:	Projected Dec. 1995 Capacity	Population Dec. 1993	Population Dec. 1994	Projected Population Dec. 1995	Projected Percent of Capacity
Erie Soldiers and Sailors Home	175	169	170	174	99%
Hollidaysburg Veterans Home	515	460	484	490	95%
Southeastern Veterans Home	298	98	140	283	95%
Northeastern Veterans Home	200	.....	116	194	97%

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Erie Soldiers and Sailors Home</p> <p>\$ 111 —for patient care equipment.</p> <p>60 —to improve patient record keeping by upgrading computer equipment.</p> <p>285 —to maintain current program.</p> <p>\$ 456 Appropriation Increase</p> <p>Hollidaysburg Veterans Home</p> <p>\$ 106 —Initiative — Telecommunications Upgrade. To acquire a modern telecommunications system.</p> <p>111 —for patient care equipment.</p> <p>65 —to improve patient record keeping by upgrading computer equipment.</p> <p>751 —to maintain current program.</p> <p>\$ 1,033 Appropriation Increase</p>	<p>Southeastern Veterans Home</p> <p>\$ 120 —Initiative — Telecommunications Upgrade. To acquire a modern telecommunications system.</p> <p>67 —for patient care equipment.</p> <p>62 —to improve patient record keeping by upgrading computer equipment.</p> <p>1,359 —to annualize the additional nursing care beds opened in 1994-95.</p> <p>274 —to maintain current program.</p> <p>\$ 1,882 Appropriation Increase</p> <p>Northeastern Veterans Home</p> <p>\$ 35 —for patient care equipment.</p> <p>45 —to improve patient record keeping by upgrading computer equipment.</p> <p>1,415 —to annualize the new 200 bed facility opened in January 1994.</p> <p>\$ 1,495 Appropriation Increase</p>
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Appropriations within this Program:

(Dollar Amounts in Thousands)

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
GENERAL FUND:							
Erie Soldiers and Sailors Home	\$ 4,326	\$ 4,950	\$ 5,406	\$ 5,628	\$ 5,819	\$ 6,040	\$ 6,276
Hollidaysburg Veterans Home	14,201	17,587	18,620	19,273	19,928	20,685	21,492
Southeastern Veterans Home	7,656	9,952	11,834	13,610	14,073	14,608	15,177
Northeastern Veterans Home	2,873	7,308	8,803	9,164	9,476	9,836	10,219
TOTAL GENERAL FUND	\$ 29,056	\$ 39,797	\$ 44,663	\$ 47,675	\$ 49,296	\$ 51,169	\$ 53,164

MILITARY AFFAIRS

PROGRAM OBJECTIVE: To provide advisory and financial assistance to eligible Pennsylvania veterans, National Guardsmen and their dependents.

Program: Compensation and Assistance

The Department of Military Affairs administers several activities within this program.

children of deceased guard personnel who were killed or died while on State active duty.

Program Element: Veterans Assistance

Program Element: Education of Children of Deceased and Disabled Veterans

Temporary financial assistance is provided for eligible veterans, their spouses and dependent children who are in need of financial assistance. Financial assistance is authorized for food, fuel, shelter and clothing and is limited to a period not exceeding three months.

Educational gratuities are provided for children of honorably discharged veterans who have been certified as having wartime service-connected disabilities rated as total and permanent or children of veterans who have died of war service-connected disabilities. Under current law, \$500 per semester is available for eligible students attending post secondary institutions within the Commonwealth.

Program Element: Blind Veterans Pension

Pensions of \$100 per month are provided for those Pennsylvania veterans who incurred functional blindness while performing active military service.

Program Element: Education — National Guard

Act 152 of 1980 provides a tuition grant to 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. The grant is one-half of the cost of the credit with a maximum of \$40 per credit. Assistance is limited to a maximum of six credits per quarter or semester or twelve credits per year.

Program Element: National Guard Pensions

This program is responsible for the payment of a pension to guardsmen, widows and dependent family members. A National Guardsman who is injured, otherwise disabled or dies as a result of injuries or other disability received or contracted while performing duty in active service of the Commonwealth, or in the performance of other State military duty, is eligible. Current law provides for a monthly pension for dependents up to a maximum of \$300 per month for a period of ten years. In the case of children of a deceased member, the pension is paid until the child reaches 18 years of age. A tuition credit of 50 percent at all State-owned universities or approved trade schools for a period not exceeding eight semesters or four years is also authorized for

Program Element: Paralyzed Veterans Pension

This program provides a pension of \$100 per month to those Pennsylvania veterans who have lost the use of two or more extremities while serving on active duty in the armed forces of the United States during an established war, armed conflict or combat-related activity in peacetime.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Veterans in Pennsylvania	1,405,300	1,394,300	1,383,300	1,372,300	1,361,300	1,350,300	1,339,300
Recipients of veterans emergency assistance	9,834	9,654	9,474	9,294	9,114	8,934	8,734
Recipients of blind veterans pensions	132	132	132	132	132	132	132
Students receiving financial aid	90	125	125	125	125	125	125
National Guard personnel receiving educational financial aid	1,515	1,600	1,600	1,600	1,600	1,600	1,600
Participants in paralyzed veterans program	273	280	280	280	280	280	280

The program measure for recipients of veterans emergency assistance is higher than estimated in last year's budget due to a reduction in employment among veterans which was partially caused by the closure of a large military facility in Southeastern Pennsylvania.

The number of students eligible for financial aid has increased from previous estimates as a result of children of Vietnam veterans reaching college age.

MILITARY AFFAIRS

Program: Compensation and Assistance (continued)

Program Recommendations: _____

The budget recommends continuation of all programs at current levels of participation by eligible persons.

Appropriations within this Program: _____

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Education of Veterans Children	\$ 90	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125
Education — National Guard	665	665	600	600	600	600	600
Veterans Assistance	1,414	1,416	1,416	1,416	1,416	1,416	1,416
Blind Veterans Pensions	151	159	159	159	159	159	159
Paralyzed Veterans Pension	358	380	328	328	328	328	328
National Guard Pensions	5	10	10	10	10	10	10
TOTAL GENERAL FUND	\$ 2,683	\$ 2,755	\$ 2,638	\$ 2,638	\$ 2,638	\$ 2,638	\$ 2,638



Commonwealth of Pennsylvania

Milk Marketing Board

The Milk Marketing Board supervises, inspects and regulates the milk industry of the Commonwealth and establishes reasonable trade control and marketing practices.

MILK MARKETING BOARD

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
<u>GENERAL FUND</u>			
<i>GRANTS AND SUBSIDIES:</i>			
Transfer to Milk Marketing Fund	\$ 125	\$ 125	\$ 125
GENERAL FUND TOTAL	<u>\$ 125</u>	<u>\$ 125</u>	<u>\$ 125</u>
 <u>MILK MARKETING FUND</u>			
<i>GENERAL GOVERNMENT:</i>			
General Operations	\$ 1,690	\$ 1,907	\$ 2,331
(A) Transfer from General Fund .....	.....	.....	.....
(A) Milk Producers Security Fund	9	.....	.....
MILK MARKETING FUND TOTAL	<u>\$ 1,699</u>	<u>\$ 1,907</u>	<u>\$ 2,331</u>
 DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 125	\$ 125	\$ 125
SPECIAL FUNDS	1,690	1,907	2,331
AUGMENTATIONS	9	.....	.....
TOTAL ALL FUNDS	<u>\$ 1,824</u>	<u>\$ 2,032</u>	<u>\$ 2,456</u>

* Not added to the total to avoid double counting: 1993-94 Actual is \$125,000; 1994-95 Available is \$125,000; 1995-96 Budget is \$125,000.

MILK MARKETING BOARD

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
MILK INDUSTRY REGULATION							
General Funds..... \$	125 \$	125 \$	125 \$	125 \$	125 \$	125 \$	125
Special Funds.....	1,690	1,907	2,331	2,048	2,118	2,198	2,284
Federal Funds.....	0	0	0	0	0	0	0
Other Funds.....	9	0	0	0	0	0	0
TOTAL..... \$	1,824 \$	2,032 \$	2,456 \$	2,173 \$	2,243 \$	2,323 \$	2,409
ALL PROGRAMS:							
GENERAL FUND..... \$	125 \$	125 \$	125 \$	125 \$	125 \$	125 \$	125
SPECIAL FUNDS.....	1,690	1,907	2,331	2,048	2,118	2,198	2,284
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	9	0	0	0	0	0	0
TOTAL..... \$	1,824 \$	2,032 \$	2,456 \$	2,173 \$	2,243 \$	2,323 \$	2,409

MILK MARKETING BOARD

PROGRAM OBJECTIVE: To maintain an adequate supply of wholesome fluid milk.

Program: Milk Industry Regulation

The Milk Marketing Board is a special fund agency financed from milk industry license fees, permit fees and fines, plus a General Fund transfer to pay costs of the Bureau of Consumer Affairs. The board supervises, inspects and regulates the milk industry of the Commonwealth and establishes reasonable trade control and marketing practices. It also formulates policy, holds public hearings and subsequently issues and enforces General Marketing Orders, rules and regulations, and handles all legal matters including prosecution and levying of penalties against violators of the Milk Marketing Law, the Milk Producer's Security Act and board regulations.

The board's major function continues to be insuring an adequate milk supply by setting minimum prices paid to farmers, minimum prices dealers can charge wholesale and retail customers, and minimum prices stores can charge consumers. The regulation process is complicated by the existence of Federal Marketing Orders, which are prices

established in Washington that must be paid to producers.

The ratio between the supply of fluid milk to demand for fluid milk is one of the board's key impact indicators. This ratio, based on a long-term established economic policy, assumes that when supplies of fluid milk approximate 125 percent of fluid sales a proper balance exists between supply and demand. If the ratio exceeds the 125 percent level by more than eight percentage points, it alerts the board that supply is out of line with demand, calling for a review of producer and resale prices. Conversely, if the ratio drops by more than eight percentage points it alerts the board that demand is out of line with supply and producer prices should be reviewed to provide sufficient incentive to farmers for expanded production.

The General Fund Transfer to the Milk Marketing Fund is used to support the Bureau of Consumer Affairs. This bureau represents the interests of the consumers of Pennsylvania.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Supply of fluid milk compared to demand for fluid milk	126%	126%	126%	126%	126%	126%	126%
Licenses and permits issued	2,835	3,000	3,000	3,000	3,000	3,000	3,000


Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

MILK MARKETING FUND:	
General Operations	
\$ 60	—to continue current program.
364	—computer initiative
<u>\$ 424</u>	<i>Appropriation Increase</i>

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Transfer to Milk Marketing Fund	<u>\$ 125</u>	<u>\$ 125</u>	<u>\$ 125</u>	<u>\$ 125</u>	<u>\$ 125</u>	<u>\$ 125</u>	<u>\$ 125</u>
MILK MARKETING FUND:							
General Operations	<u>\$ 1,690</u>	<u>\$ 1,907</u>	<u>\$ 2,331</u>	<u>\$ 2,048</u>	<u>\$ 2,118</u>	<u>\$ 2,198</u>	<u>\$ 2,284</u>



Commonwealth of Pennsylvania

Board of Probation and Parole

The Board of Probation and Parole rehabilitates and supervises persons on probation or parole, helping them to reintegrate within society. The board attempts to allow an early and controlled release of persons from correctional institutions as well as detect those who cannot adjust to the community. State probation services and pre-sentence investigations are also provided upon request from the courts.

BOARD OF PROBATION AND PAROLE

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	1995-96 State Funds (In thousands)
Strengthening Crime Fighting Efforts		
	General Government Operations	\$ 64

This Program Revision provides funds for increased institutional parole support at SCI Houtzdale and SCI Cambridge Springs. Please see the Department of Corrections for further information on the Program Revision.

Department Total \$ 64

PROBATION AND PAROLE

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 30,915 *	\$ 35,818 *	\$ 38,671
(F) DCSI — State Parole Services	309	60	.....
(F) DCSI — Community Control Electronic Monitoring .....	.....	171	.....
(F) DCSI — Parole Officer Distance Learning .....	.....	50	19
(F) DCSI — Safety Equipment for Supervisory Personnel .....	.....	718	.....
(F) DCSI — County Audit Probation Automated System .....	.....	100	38
(F) DCSI — Probation and Parole Training .....	.....	29	.....
(A) Parole Supervision Fees	635	699	717
Intensive Parole Supervision	320	3,308	3,389
Drug Offenders Work Program	146	240	165
(A) GLOW Program	36	.....	.....
Subtotal — State Funds	\$ 31,381	\$ 39,366	\$ 42,225
Subtotal — Federal Funds	309	1,128	57
Subtotal — Augmentations	671	699	717
Total — General Government	<u>\$ 32,361</u>	<u>\$ 41,193</u>	<u>\$ 42,999</u>
GRANTS AND SUBSIDIES:			
Improvement of Adult Probation Services	\$ 16,457	\$ 17,066	\$ 16,141
(A) Parole Supervision Fees	5,994	6,300	6,982
Total — Grants and Subsidies	<u>\$ 22,451</u>	<u>\$ 23,366</u>	<u>\$ 23,123</u>
STATE FUNDS	\$ 47,838	\$ 56,432	\$ 58,366
FEDERAL FUNDS	309	1,128	57
AUGMENTATIONS	6,665	6,999	7,699
GENERAL FUND TOTAL	<u>\$ 54,812</u>	<u>\$ 64,559</u>	<u>\$ 66,122</u>

* Excludes \$17,000 for discontinued interagency billing.

PROBATION & PAROLE BOARD

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
REINTEGRATION OF THE ADULT OFFENDER							
General Funds.....	\$ 47,838	\$ 56,432	\$ 58,366	\$ 60,164	\$ 61,661	\$ 63,391	\$ 65,234
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	309	1,128	57	0	0	0	0
Other Funds.....	6,665	6,999	7,699	7,727	7,757	7,788	7,820
TOTAL.....	\$ 54,812	\$ 64,559	\$ 66,122	\$ 67,891	\$ 69,418	\$ 71,179	\$ 73,054
ALL PROGRAMS:							
GENERAL FUND.....	\$ 47,838	\$ 56,432	\$ 58,366	\$ 60,164	\$ 61,661	\$ 63,391	\$ 65,234
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	309	1,128	57	0	0	0	0
OTHER FUNDS.....	6,665	6,999	7,699	7,727	7,757	7,788	7,820
TOTAL.....	\$ 54,812	\$ 64,559	\$ 66,122	\$ 67,891	\$ 69,418	\$ 71,179	\$ 73,054

PROBATION AND PAROLE

PROGRAM OBJECTIVE: To decrease the recurrence of crime by replacing criminal behavior with socially acceptable behavior.

Program: Reintegration of the Adult Offender

The Pennsylvania Board of Probation and Parole operates in a complex and interdependent criminal justice system in the Commonwealth. The primary functions of the board are to grant parole and supervise adult offenders with a maximum sentence of two years or more, revoke the parole of technical parole violators and criminal violators convicted of new crimes, and discharge from parole clients under supervision who have fulfilled their sentences in compliance with the conditions governing parole. Commonwealth Judges parole inmates with maximum sentences under two years. Under the direction of the county courts, cases can be certified to the State under special probation and parole supervision. The State provides direct support to county probation through a separate board administered grant-in-aid appropriation which subsidizes manpower at the local level.

The Pennsylvania Board of Probation and Parole's primary goal is to protect the community from crime through a process of supervising offenders who are serving sentences in the community.

The board also has quasi-judicial case decision-making responsibility. Two dominant types of decisions are made by the board from information provided by field and institutional staff: parole release decisions and revocation decisions.

Explicit parole guidelines are used in the decision-making process in order to structure discretion and maintain fairness in the system. The effect of these successful program efforts in decision-making is that justice is administered fairly and decision-making is more accountable to the public.

In addition to operating the State parole program, the board has the responsibility of administering a grant-in-aid program to support county adult probation personnel and services. The grant-in-aid program provides funds to any county which adds probation staff for pre-sentence investigations and for improved probation supervision and program. Act 134 of 1986, which amended the Probation and Parole Act, provides that counties shall be reimbursed for up to eighty percent (80%) of the personnel costs incurred to administer these additional services and programs, provided that sufficient funds are appropriated.

Act 35 of 1991 mandates that a monthly supervision fee be paid by all offenders under State supervision unless a waiver is granted. In addition, Act 35 requires that the sentencing judge of the Court of Common Pleas impose upon county offenders as a condition of supervision, a monthly supervision fee of at least twenty-five dollars unless reduced, waived or deferred.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Probationers and parolees in caseload:							
County	90,087	102,130	106,365	110,601	114,837	119,072	123,308
State	25,481	26,017	26,667	27,817	29,264	30,742	31,943
Annual addition to caseload population ..	11,195	11,614	11,913	12,394	12,624	12,851	12,960
Investigative reports completed	16,059	16,556	17,053	17,550	18,047	18,544	19,041
Annual caseload additions likely to return to prison	4,030	4,181	4,289	4,462	4,545	4,626	4,666
And as a percentage of annual additions to caseload	36%	36%	36%	36%	36%	36%	36%
Average cases per parole agent	114	119	98	94	99	104	108

The data for the measures annual addition to caseload and annual caseload additions likely to return to prison have increased from data shown in the 1994-95 budget. This is due to the methodology used by Probation and Parole to estimate these caseloads. The methodology uses a linear regression projection based on actual caseload growth for the prior two years. The estimated return rate is the actual recidivism rate for a three year followup of 1987 cohort releases. The return rate is multiplied by the estimated number of new additions to the caseload.

PROBATION AND PAROLE

Program: Reintegration of the Adult Offender (continued)

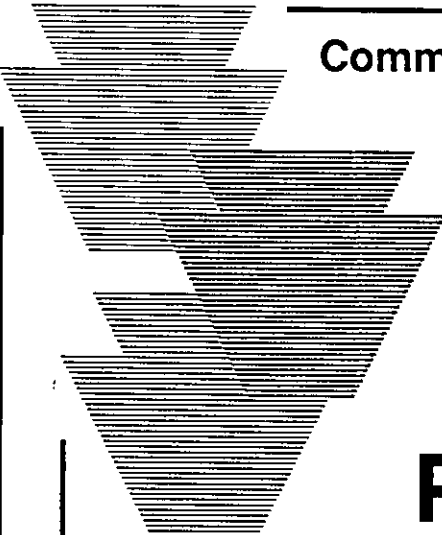
Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$	64	General Government Operations —PRR — Strengthening Crime Fighting Efforts. This Program Revision provides institutional parole support at the State Correctional Institutions at Houtzdale and Cambridge Springs. Please see the Department of Corrections for further information on the Program Revision Request. 2,789 —to continue current program.	\$	81	Intensive Parole Supervision —to continue current program.
					Improvement of Adult Probation Services —for grants to counties for professional county personnel salary costs. A charge of \$25 per month offsets the costs of administering this program for employed offenders on State and county parole supervision. Estimated fee collection for 1995-96 is \$6,982,000. This amount will augment State funds of \$16,141,000 and provide \$23,123,000 or 77 percent reimbursement to the counties.
\$	2,853	<i>Appropriation Increase</i>			
\$	-75	Drug Offenders Work Program —to continue current program.			

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
General Government Operations	\$ 30,915	\$ 35,818	\$ 38,671	\$ 40,323	\$ 41,694	\$ 43,278	\$ 44,966
Drug Offenders Work Program	146	240	165	172	178	185	192
Intensive Parole Supervision	320	3,308	3,389	3,528	3,648	3,787	3,935
Improvement of Adult Probation Services .	16,457	17,066	16,141	16,141	16,141	16,141	16,141
TOTAL GENERAL FUND	\$ 47,838	\$ 56,432	\$ 58,366	\$ 60,164	\$ 61,661	\$ 63,391	\$ 65,234



Commonwealth of Pennsylvania

Public Television Network

The Public Television Network promotes and encourages public television in Pennsylvania. The network facilities provide services to the seven public television stations and two affiliated stations including the recording, storage and delivery of programs and the interconnection of the stations for Statewide program production and exchange. The network also administers a program of grants to support station operations, instructional television services, program production and program acquisition.

PUBLIC TELEVISION NETWORK

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
<u>GENERAL FUND</u>			
GENERAL GOVERNMENT:			
General Government Operations	\$ 2,689	\$ 2,880	\$ 2,880
(F) Educational Technology .....	.....	84	.....
(F) National Energy Awards Program .....	.....	35	5
(A) Special Projects	195	227	30
Total — General Government	<u>\$ 2,884</u>	<u>\$ 3,226</u>	<u>\$ 2,915</u>
GRANTS AND SUBSIDIES:			
Public Television Station Grants	\$ 6,148	\$ 6,273	\$ 6,273
Total — Grants and Subsidies	<u>\$ 6,148</u>	<u>\$ 6,273</u>	<u>\$ 6,273</u>
STATE FUNDS	\$ 8,837	\$ 9,153	\$ 9,153
FEDERAL FUNDS .....	.....	119	5
AUGMENTATIONS	195	227	30
GENERAL FUND TOTAL	<u>\$ 9,032</u>	<u>\$ 9,499</u>	<u>\$ 9,188</u>

PUBLIC TELEVISION NETWORK

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
PUBLIC TELEVISION SERVICES							
General Funds.....	\$ 8,837	\$ 9,153	\$ 9,153	\$ 9,271	\$ 9,373	\$ 9,491	\$ 9,617
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	0	119	5	0	0	0	0
Other Funds.....	195	227	30	31	32	33	34
TOTAL.....	\$ 9,032	\$ 9,499	\$ 9,188	\$ 9,302	\$ 9,405	\$ 9,524	\$ 9,651
ALL PROGRAMS:							
GENERAL FUND.....	\$ 8,837	\$ 9,153	\$ 9,153	\$ 9,271	\$ 9,373	\$ 9,491	\$ 9,617
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	119	5	0	0	0	0
OTHER FUNDS.....	195	227	30	31	32	33	34
TOTAL.....	\$ 9,032	\$ 9,499	\$ 9,188	\$ 9,302	\$ 9,405	\$ 9,524	\$ 9,651

PUBLIC TELEVISION NETWORK

PROGRAM OBJECTIVE: To provide for the development and support of Pennsylvania's noncommercial public television stations.

Program: Public Television Services

The Pennsylvania Public Television Network links seven independent noncommercial television stations in Pennsylvania to create a system in which stations provide programming to the people of Pennsylvania through independent and group efforts. The stations are located in Bethlehem, Erie, Philadelphia, Pittsburgh, Pittston, University Park and Harrisburg. In addition, the commission also funds second public television stations in Philadelphia and Pittsburgh which provide different program service for their viewers.

Funding for the operations of the noncommercial television stations in Pennsylvania comes from several sources; the major sources, accounting for over 60 percent of the revenue, are private donations from business and industry and contributions from individual members. Other sources are the grants made by the Commonwealth and the Federal Government.

The operation of the network, located in Hershey, is fully funded by a General Fund appropriation. It is directed by a commission which includes representatives from the seven stations, the education community, the Legislature, the Council on the Arts, and the public. The

operations of the commission include governance of the network and Statewide coordinating functions through a computerized microwave telecommunications system. Through the network each station has access to programs produced by other Pennsylvania stations and programs acquired from outside sources. Network promotion and audience research services are also provided as well as guidance in producing programs on cultural, educational, and public affairs of interest to all Pennsylvanians.

The Network Commission provides, through its facilities, a videoconferencing system for State agencies which results in a reduction in travel time and expense for State agencies.

Instructional television is provided by each of the stations in cooperation with school districts and Intermediate Units, which purchases broadcast rights for some nationally produced programs. Some educational television series are produced by Pennsylvania stations for broadcast on Statewide and national television. These instructional series are curriculum-based.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Households watching public television at least once a week	2,800,000	3,100,000	3,200,000	3,250,000	3,350,000	3,350,000	3,400,000
Contributing memberships	314,000	320,000	325,000	330,000	335,000	340,000	340,000
Original programming as a percentage of total broadcasting	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%

Increases in number of households watching public television compared to estimates in last year's budget is based on Nielson ratings and number of households watching two affiliated stations in Philadelphia and Pittsburgh.


Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

This budget recommends funding for General Government Operations and Public Television Grants at the 1994-95 level.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
General Government Operations	\$ 2,689	\$ 2,880	\$ 2,880	\$ 2,998	\$ 3,100	\$ 3,218	\$ 3,344
Public Television Station Grants	6,148	6,273	6,273	6,273	6,273	6,273	6,273
TOTAL GENERAL FUND	\$ 8,837	\$ 9,153	\$ 9,153	\$ 9,271	\$ 9,373	\$ 9,491	\$ 9,617

A stylized graphic of the Commonwealth of Pennsylvania, composed of horizontal lines forming a shape that resembles the state's outline, positioned on the left side of the page.

Commonwealth of Pennsylvania

Public Utility Commission

The Public Utility Commission insures that safe and adequate public utility services are available at fair and reasonable rates. This is accomplished through enforcement of the Public Utility Law and promulgation of regulations adopted by the commission.

The commission is comprised of five members appointed by the Governor with Senate confirmation.

The dollar amounts shown are not appropriations from the General Fund. The commission receives a budgetary authorization ceiling and then bills the utilities for the amounts of the approved estimate of expenditures and expends directly from the funds collected.

PUBLIC UTILITY COMMISSION

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
<u>GENERAL FUND</u>			
GENERAL GOVERNMENT:			
(R) General Government Operations ^a	\$ 34,590	\$ 37,032	\$ 36,757
(R) First Class City Taxicab Regulation ^b	1,863	2,100	1,900
(F) Natural Gas Pipeline Safety	140	185	190
(F) Motor Carrier Safety	772	775	775
RESTRICTED REVENUES	\$ 36,453	\$ 39,132	\$ 38,657
FEDERAL FUNDS	912	960	965
GENERAL FUND TOTAL	\$ 37,365	\$ 40,092	\$ 39,622

^a Appropriation from a restricted revenue account.

^b Executive Authorization from a restricted revenue account.

PUBLIC UTILITY COMMISSION

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
REGULATION OF PUBLIC UTILITIES							
General Funds.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	912	960	965	965	965	965	965
Other Funds.....	36,453	39,132	38,657	40,242	41,610	43,191	44,876
TOTAL.....	\$ 37,365	\$ 40,092	\$ 39,622	\$ 41,207	\$ 42,575	\$ 44,156	\$ 45,841
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	912	960	965	965	965	965	965
OTHER FUNDS.....	36,453	39,132	38,657	40,242	41,610	43,191	44,876
TOTAL.....	\$ 37,365	\$ 40,092	\$ 39,622	\$ 41,207	\$ 42,575	\$ 44,156	\$ 45,841

PUBLIC UTILITY COMMISSION

PROGRAM OBJECTIVE: To ensure that safe and adequate public utility services are available to the public at fair and reasonable rates.

Program: Regulation of Public Utilities

The Public Utility Commission's (PUC) responsibility and the service which it performs as an arm of the General Assembly as expressed in the Public Utility Code is to ensure that safe and adequate utility service is available to the public at fair and reasonable rates.

The types of utilities regulated are electric, gas, steam heat, water, telephone, telegraph, and sewage collection and disposal services; transportation of passengers and property by railroad, aircraft, boat, ferry and motor carrier; and transportation of certain products by pipeline.

While only 18 of approximately 5,000 utilities regulated are electric, the rate increases requested by the electric utilities have historically been much greater than those of all other utilities combined.

Federal legislation (HR 2739) effective January 1, 1995, pre-empts State regulation of trucking rates and routes. The PUC's jurisdiction for motor carrier regulation has now been essentially limited to safety authority, insurance coverage, and transportation of household goods and passengers.

In addition to its primary duty of ensuring that adequate service at reasonable rates is available to the public, the commission is required or empowered to:

— prescribe rates for common carrier motor vehicles and to establish

- accounting and service requirements for them;
- regulate the formation, merger and consolidation of public utilities;
- determine whether a public utility should be permitted to discontinue service to the public other than for non-payment for service rendered;
- regulate the crossing of public highways by the facilities of public utilities;
- inspect the properties, test the equipment and examine the books and other records of utilities;
- prescribe systems of accounting for public utilities;
- determine whether the issuance of utility stocks and long-term debt by public utilities is necessary or proper for the present and probable future capital needs of the utilities;
- inquire into the reasonableness, from the point of view of the public interest, of contracts between public utilities and municipalities, and of contracts for services between public utilities and their affiliates;
- assess all its expenses on utilities in accordance with Act 33 of 1972; and,
- conduct management efficiency investigations and construction cost audits.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Utilities regulated:							
Fixed utilities:							
Electric	18	18	18	18	18	18	18
Other	666	666	650	650	650	650	650
Transportation	4,433	5,200	5,250	5,300	5,400	5,400	5,400
Rate requests received:							
Fixed Utilities:							
Electric	3	2	3	3	3	2	2
Other	42	60	59	59	61	61	61
Transportation	533	310	100	100	100	100	100
Rate cases completed:							
Fixed utilities:							
Electric		3	2	3	3	2	2
Other	34	56	57	64	63	63	61
Transportation	533	310	100	100	100	100	100
Rate increase requested (in millions):							
Fixed utilities:							
Electric	\$ 84	\$200	\$250	\$250	\$250	\$250	\$250
Other	\$174	\$125	\$110	\$125	\$120	\$120	\$125
Transportation	\$ 23	\$ 14	\$ 23	\$ 23	\$ 23	\$ 23	\$ 23
Rate increases allowed (in millions):							
Fixed utilities:							
Electric		\$175	\$125	\$130	\$125	\$125	\$125
Other	\$ 26	\$110	\$ 55	\$ 60	\$ 55	\$ 55	\$ 55
Transportation	\$ 23	\$ 14	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3

PUBLIC UTILITY COMMISSION

Program: Regulation of Public Utilities (continued)

Program Measures (continued)

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Audits conducted:							
Fixed utilities:							
Financial	15	10	10	10	10	10	10
Energy fuel	68	70	70	70	70	70	70
Management	10	11	11	11	11	11	11
Transportation	1,205	910	15	20	25	25	25
Enforcement/investigations:							
Fixed utilities	471	1,100	1,100	1,100	1,100	1,100	1,100
Transportation:							
Rail safety	49,792	50,000	50,000	50,000	50,000	50,000	50,000
Motor safety	18,175	30,000	34,500	34,500	34,500	34,500	34,500
Consumer services:							
Fixed utilities:							
Complaints received, investigated and resolved	28,408	28,000	28,000	28,000	28,000	28,000	28,000

The number and dollar values of rate increases requested and approved for 1993-94 are lower than projected in last year's budget. These measures fluctuate because rate requests reflect decisions of the utilities.

Complaints received in 1993-94 were greater than expected. Unusual situations involving individual utilities or industries frequently generate numerous complaints which are unpredictable.

The Federal deregulation of trucking rates has been reflected in the reductions for transportation rate requests and cases.

Transportation audits as well as transportation and fixed utilities enforcement/investigations are lower than projected in last year's budget based on the most recent data available.


Program Recommendations:

This budget recommends the following changes to the appropriation for the PUC from its restricted revenue account in the General Fund: (Dollar Amounts in Thousands)

General Government Operations
\$ -275 —nonrecurring costs.

—In addition, this budget recommends the following from a special restricted account:

First Class City Taxicab Regulation
\$ -261 —nonrecurring costs.
61 —to continue current program.
\$ -200 *Appropriation Decrease*



Commonwealth of Pennsylvania

Department of Public Welfare

The Department of Public Welfare provides financial assistance and medical services to persons who are economically dependent through public assistance grants and medical assistance payments; provides care, treatment and rehabilitation to persons with social, mental and physical disabilities; and engages in activities, including education and research, which serve to prevent or reduce economic, social, mental and physical disabilities.

Services are provided directly and indirectly through programs of standard setting, regulation, supervision, licensing, grants, subsidies and purchase of services.

The actual delivery of welfare services is executed through regional and county offices, county assistance offices and various types of institutions.

PUBLIC WELFARE

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	1995-96 State Funds (In thousands)
Enhancing Services for Older Pennsylvanians		
	Long-Term Care Facilities	\$ -41,561

This Program Revision proposes to revise the Medical Assistance nursing facility reimbursement system to more accurately reflect the cost of services. Please see the Department of Aging for further details on this Program Revision.

Improving the Effectiveness of Medical Assistance

Medical Assistance - Outpatient	\$ -30,717
Medical Assistance - Inpatient	-50,184
Subtotal	\$ -80,901

This Program Revision provides State savings of \$80.9 million by eliminating coverage for non-emergency use of emergency room care, limiting drug and alcohol detoxification hospital admissions to those that are medically necessary, revising the pharmaceutical reimbursement formula for brand name drugs, increasing pharmaceutical rebate collections, expanding prior authorization to selected drugs, expanding the lock-in program, incorporating efficiency enhancements into the inpatient hospital reimbursement systems and increasing utilization of managed care programs.

Strengthening Crime Fighting Efforts

Youth Development Institutions and Forestry Camps	\$ 875
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This Program Revision provides funds to operate a secure youth development center which may open in 1995-96. In addition to State funds, \$2.6 million in Federal funds will support this Program Revision. Please see the Department of Corrections for further details on this Program Revision.

PUBLIC WELFARE

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	1995-96 State Funds (In thousands)
Strengthening Individual and Family Independence		
	County Administration - Statewide	\$ 2,034
	New Directions	1,000
	Cash Grants	-36,174
	Medical Assistance - Outpatient	-304
	Medical Assistance - Inpatient	-3,926
	Day Care Services	5,000
	Subtotal	\$ -32,370

This Program Revision changes the existing General Assistance Program to promote individual and family independence. It expands the number of subsidized child day care slots available to low-income working families, requires fathers who are able to pay to reimburse the State for Medical Assistance birthing expenses, and establishes a recipient identification program to reduce welfare fraud and abuse.

Department Total \$ -153,957

PUBLIC WELFARE

Summary by Fund and Appropriation

GENERAL FUND	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL GOVERNMENT:			
General Government Operations	\$ 37,754 *	\$ 39,823 *	\$ 38,101
(F) Child Welfare Services	2,072	2,072	2,070
(F) Child Welfare Training & Certification	2,700	2,700	2,700
(F) Child Care and Development Block Grant — Administration	1,825	2,243	2,165
(F) Rehabilitation Services Facilities	442	442	439
(F) Medical Assistance — Administration	13,693	14,050	16,031
(F) Maintenance Assistance — Administration	5,333	6,342	6,459
(F) Food Stamp Program — Administration	3,000	3,439	3,542
(F) Developmental Disabilities Support	3,691	3,723	3,693
(F) Refugees & Persons Seeking Asylum — Administration	1,048	877	939
(F) ESEA (I) — Education of Children with Disabilities — Administration	466	562	559
(F) Homeless Mentally Ill — Administration	40	51	50
(F) Education for Children with Disabilities — Administration	405	751	705
(F) Child Abuse Prevention Challenge Grant	175	175	175
(F) MHSBG — Administration	150	150	114
(F) SSBG — Administration	4,743	4,743	4,743
(F) MH Data Collection Systems	122	290	88
(F) SSBG — Empowerment Zones and Enterprise Communities .....	.....	120,000	88,700
(F) SSBG — Legal Services .....	.....	6,183	.....
(F) Emergency Assistance — Juvenile Probation .....	.....	.....	50,000
(A) Institutional Collections	853	823	870
(A) Training Reimbursement	598	515	578
(A) Child Abuse Reviews	777	854	854
(A) Miscellaneous Reimbursements	80	93	93
Subtotal — Federal Funds	\$ 39,905	\$ 168,793	\$ 183,172
Subtotal — Augmentations	2,308	2,285	2,395
Total — General Government Operations	\$ 79,967	\$ 210,901	\$ 223,668
Information Systems	27,488	28,739	25,516
(F) Maintenance Assistance	4,055	4,604	5,640
(F) Medical Assistance	13,393	15,321	15,815
(F) Food Stamp Program	6,273	7,121	7,178
(F) Child Support Enforcement	669	759	766
(F) Rehabilitation Services	45	51	.....
(A) Intergovernmental Transfer — Technology	769	487	.....
Total — Information Systems	\$ 52,692	\$ 57,082	\$ 54,915
County Assistance Offices	210,541	217,155	231,724
(F) Maintenance Assistance	42,659	48,937	46,679
(F) Medical Assistance	37,831	46,181	47,194
(F) Food Stamp Program	48,318	59,070	57,252
(F) SSBG	11,649	11,649	11,649
(F) LIHEABG — Administration	6,775	8,919	8,852
(F) Low Income Energy Assistance	1,948	.....	.....
Total — County Assistance Offices	\$ 359,721	\$ 391,911	\$ 403,350
County Administration — Statewide	36,099	39,167	39,433
(F) Maintenance Assistance	3,583	3,842	4,704
(F) Medical Assistance	25,668	26,672	30,858
(F) Food Stamp Program	4,900	9,033	5,378
(F) SABG — Program Evaluation	324	350	67
(A) Fee for Material from Outside Vendors	73	73	73
(A) Benefits Information Exchange	44	43	43
(A) Food Stamp Retained Collections	512	800	800
Total — County Administration — Statewide	\$ 71,203	\$ 79,980	\$ 81,356

* Excludes \$49,000 for discontinued interagency billing.

PUBLIC WELFARE

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
GENERAL GOVERNMENT: (continued)			
Program Accountability	\$ 10,224	\$ 10,440	\$ 6,961
(F) Food Stamp Program	3,777	3,699	4,123
(F) Maintenance Assistance	1,466	2,113	691
(F) Child Support Enforcement	68,033	99,094	92,964
(F) Medical Assistance	1,122	1,531	1,459
(A) Title IV-D Incentive Collections	216	452	452
(A) Restitutions & Overpayments	769	1,165	1,063
(A) Food Stamp Collections	166	166	166
(A) State Retained Support Collections	1,090	1,451	1,451
Total — Program Accountability	\$ 86,863	\$ 120,111	\$ 109,330
New Directions	44,873	32,513	33,663
(F) Maintenance Assistance	37,624	43,025	42,731
(F) Food Stamps — Employment Training	21,543	21,883	12,099
(A) SPOC Health Insurance Program	4	6	6
Total — New Directions	\$ 104,044	\$ 97,427	\$ 88,499
Services for Visually Impaired	6,907	7,223	7,390
(F) Rehabilitation Services — Basic Support	8,634	9,365	9,764
(F) Vocational Rehabilitation — Social Security Disability Beneficiaries	339	405	380
(A) Supported Employment	108	230	268
Total — Services for Visually Impaired	\$ 15,988	\$ 17,223	\$ 17,802
Subtotal — State Funds	\$ 373,886	\$ 375,060	\$ 382,788
Subtotal — Federal Funds	390,533	592,417	589,415
Subtotal — Augmentations	6,059	7,158	6,717
Total — General Government	\$ 770,478	\$ 974,635	\$ 978,920
INSTITUTIONS:			
Youth Development Institutions and Forestry Camps	\$ 46,900	\$ 52,650	\$ 58,508
(F) Food Nutrition Service	750	750	750
(F) YDC — Emergency Assistance .....	.....	.....	4,000
(F) SSBG — Basic Institutional Program	801	1,355	5,374
(F) DFSC — Special Programs — Juvenile Aftercare Services	1,250	1,000	1,000
(F) DCSI — Drug Control System Improvement-YDC	993	248	.....
(F) DCSI — Transition/Reentry	961	911	161
(F) DCSI — Southeast Secure Unit	34	30	19
(F) DCSI — Juvenile Justice System Expansion .....	.....	899	599
(F) DCSI — Secure Treatment Facility .....	.....	.....	2,625
(A) Cafeteria Reimbursements	6	5	5
(A) Institutional Reimbursements	27	26	26
(A) School Lunch Program	41	39	39
Total — Youth Development Institutions	\$ 51,763	\$ 57,913	\$ 73,106
State General Hospitals	1	1	1
(F) Medicare Services .....	.....	1,000	1,000
(F) Medical Assistance .....	.....	500	500
(A) Institutional Collections	60	725	725
Total — State General Hospitals	\$ 61	\$ 2,226	\$ 2,226

PUBLIC WELFARE

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
<i>INSTITUTIONS: (continued)</i>			
Mental Health Services	\$ 386,922	\$ 423,687	\$ 514,724
(F) Medical Assistance — Mental Health	345,861	416,037	333,954
(F) Medicare Services — State Mental Hospitals	30,813	25,600	39,766
(F) Food & Nutrition Services — State Mental Hospital	140	142	126
(F) Library Services & Construction	40	.....	.....
(F) Homeless Mentally Ill	1,028	1,029	1,008
(F) MHSBG — Community Mental Health Services	10,735	12,480	12,192
(F) SSBG — Community Mental Health Services	13,799	18,133	18,133
(F) Child and Adolescent Services System Grant	295	315	150
(F) Community Support Project MH	1,041	1,718	1,421
(F) Shelter Plus Care .....	.....	500	.....
(F) SSBG — Closing Philadelphia State Hospital	4,334	.....	.....
(F) MA — Extended Psychiatric Care	13,026	.....	.....
(F) ACCESS Cooperative Agreement	1,990	2,100	2,000
(F) Rehabilitation Services Administration .....	.....	350	.....
(F) Child MH Services .....	.....	2,000	2,000
(F) Library Services & Construction .....	.....	9	.....
(A) Cafeteria Reimbursements	39	39	.....
(A) Institutional Collections	22,991	21,517	17,906
(A) Miscellaneous Institutional Reimbursements	200	125	.....
(A) Intergovernmental Transfers	16,000	8,000	8,000
(A) Contributions	9,300	.....	.....
(A) Community Treatment Teams	1,286	1,217	1,309
Total — Mental Health Services	\$ 859,840	\$ 934,998	\$ 952,689
 State Centers for the Mentally Retarded	 122,494	 122,582	 136,336
(F) Medical Assistance — State Centers	149,884	174,116	159,338
(F) Medicare Services — State Centers	360	864	763
(A) PA Energy Office	60	.....	.....
(A) Institutional Collections	14,335	13,858	10,869
(A) Institutional Reimbursements	106	14	16
Total — State Centers for the Mentally Retarded	\$ 287,239	\$ 311,434	\$ 307,322
 Subtotal — State Funds	 \$ 556,317	 \$ 598,920	 \$ 709,569
Subtotal — Federal Funds	578,135	662,086	586,879
Subtotal — Augmentations	64,451	45,565	38,895
Total — Institutions	\$ 1,198,903	\$ 1,306,571	\$ 1,335,343

PUBLIC WELFARE

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
GRANTS AND SUBSIDIES:			
Cash Grants	\$ 724,632	\$ 674,822^a	\$ 607,976
(F) Maintenance Assistance	524,181	573,843	569,653
(F) LIHEABG Grants	68,903	82,905	69,309
(F) Low Income Energy Assistance	15,487	.....	.....
Total — Cash Grants	<u>\$ 1,333,203</u>	<u>\$ 1,331,570</u>	<u>\$ 1,246,938</u>
Supplemental Grants — Aged, Blind and Disabled	110,677	122,591^b	130,231
(A) Intergovernmental Transfers	20,505	20,914	20,914
Total — Supplemental Grants	<u>\$ 131,182</u>	<u>\$ 143,505</u>	<u>\$ 151,145</u>
Medical Assistance — Transportation	18,826	18,349	18,555
(F) Medical Assistance	14,950	15,616	14,391
Total — Transportation	<u>\$ 33,776</u>	<u>\$ 33,965</u>	<u>\$ 32,946</u>
Medical Assistance — Outpatient	623,050	714,429^c	781,545
(F) Medical Assistance	762,960	840,507	842,393
Total — Outpatient	<u>\$ 1,386,010</u>	<u>\$ 1,554,936</u>	<u>\$ 1,623,938</u>
Expanded Medical Services for Women	3,000	3,000	4,060
Medical Assistance — Inpatient	681,793	541,701	364,686
(F) Medical Assistance	991,138	1,002,821	831,235
Total — Inpatient	<u>\$ 1,672,931</u>	<u>\$ 1,544,522</u>	<u>\$ 1,195,921</u>
Acute Care Hospital	600	200	.....
Medical Assistance — Capitation	454,200	591,490	691,138
(F) Medical Assistance	308,663	413,702	508,789
Total — Capitation	<u>\$ 762,863</u>	<u>\$ 1,005,192</u>	<u>\$ 1,199,927</u>
Long-Term Care Facilities	493,275	640,441	694,879
(F) Medical Assistance	1,075,132	1,137,325	933,232
(A) Intergovernmental Transfers	268,149	288,343	94,641
Total — Long-Term Care	<u>\$ 1,836,556</u>	<u>\$ 2,066,109</u>	<u>\$ 1,722,752</u>
Geriatric Center	100	.....	.....

^a Includes Recommended Supplemental appropriation of \$10,311,000.

^b Includes Recommended Supplemental appropriation of \$2,568,000.

^c Includes Recommended Supplemental appropriation of \$21,824,000.

PUBLIC WELFARE

Summary by Fund and Appropriation

GENERAL FUND	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Budget
GRANTS AND SUBSIDIES: (continued)			
Pre-Admission Assessment	\$ 4,446	\$ 4,427	\$ 4,729
(F) Medical Assistance	5,423	8,470	8,974
(A) Intergovernmental Transfers .....	....	....	2,563
Total — Pre-Admission Assessment	\$ 9,869	\$ 12,897	\$ 16,266
AIDS — Special Pharmaceutical Services	2,431	6,640	6,640
(F) Ryan White	1,242	....	....
Total — AIDS — Special Pharmaceutical Services	\$ 3,673	\$ 6,640	\$ 6,640
Psychiatric Services in Eastern Pennsylvania	4,000	....	....
Intermediate Care Facilities — Mentally Retarded	97,903	103,055	111,420
(F) Medical Assistance	120,660	126,399	128,270
Total — Intermediate Care Facilities—Mentally Retarded	\$ 218,563	\$ 229,454	\$ 239,690
Community Mental Retardation Services	358,779	386,578	416,220 *
(F) Medical Assistance — MR Services	128,105	151,224	168,557
(F) SSBG — Community MR Services	17,124	17,124	17,124
Total — Community Mental Health Services	\$ 504,008	\$ 554,926	\$ 601,901
Statewide Assistive Technology Loan Program .....	....	....	750
Mental Retardation Services — Lansdowne .....	....	201	....
Pennhurst Dispersal .....	....	2,764 *
Association for Retarded Citizens	100	100	....
Early Intervention	31,157	34,458	35,088
(F) SSBG — Early Intervention	2,687	2,687	2,687
(F) MA — Early Intervention	1,250	3,244	6,183
(F) Education for Children with Disabilities	7,367	9,693	11,289
(F) Special Evaluation Studies	48	80	50
Total — Early Intervention	\$ 42,509	\$ 50,162	\$ 55,297
County Child Welfare	334,798	309,561	264,743
(F) Child Welfare Services	10,000	16,865	17,953
(F) Maintenance Assistance	215,946	235,000	211,195
(F) Medical Assistance	4,000	4,000	4,000
(F) Medically Fragile Child Support	108	108	108
(F) Emergency Assistance — Child Welfare .....	....	125,442	158,546
(F) SSBG	15,449	15,449	15,449
(F) DCSI — Alternatives to Institutionalization — Child Welfare ...	377	188	....
(F) Crisis Nursery Grant .....	....	197	197
(F) At-Risk Family .....	....	50	50
Total — County Child Welfare	\$ 580,678	\$ 706,860	\$ 672,241
Day Care Services	36,929	37,085	42,827
(F) CCDBG — Day Care	23,074	26,974	26,974
(F) SSBG — Day Care	37,927	37,931	37,931
(F) Dependent Care Planning	623	615	615
(F) Child Development Scholarships	100	100	100
(F) At-Risk Child Care	12,808	12,682	12,252
Total — Day Care Services	\$ 111,461	\$ 115,387	\$ 120,699

* Includes former Pennhurst Dispersal appropriation.

PUBLIC WELFARE

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
GRANTS AND SUBSIDIES: (continued)			
Low Income Summer Programs	\$ 125	\$ 125	....
Domestic Violence	7,298	7,892	\$ 8,050
(F) Family Violence and Prevention Services	686	686	725
(F) SSBG — Domestic Violence	1,476	1,476	1,476
(F) DFSC — Special Programs — Domestic Violence	449	404	404
(A) Marriage Law Fees	733	733	733
Total — Domestic Violence	\$ 10,642	\$ 11,191	\$ 11,388
Rape Crisis	3,240	3,337	3,404
(F) PHHSBG — Rape Crisis	360	360	420
(F) SSBG — Rape Crisis	776	776	776
(F) DFSC — Special Programs — Rape Crisis	125	113	113
Total — Rape Crisis	\$ 4,501	\$ 4,586	\$ 4,713
Breast Cancer Screening	825	850	867
(F) SSBG — Family Planning	4,708	4,708	4,708
Total — Breast Cancer Screening	\$ 5,533	\$ 5,558	\$ 5,575
Legal Services	2,500	....	2,000
(F) SSBG — Legal Services	6,183	....	6,183
Total — Legal Services	\$ 8,683	\$	\$ 8,183
Human Services Development Fund	34,000	34,000	34,000
(F) Refugees and Persons Seeking Asylum — Social Services ...	6,200	....	....
(F) Immigration Reform and Control	3,486	400	....
Total — Human Services Development Fund	\$ 43,686	\$ 34,400	\$ 34,000
Homeless Assistance	16,000	16,320	16,646
(F) Housing Emergency Assistance .....	....	3,493	....
(F) SSBG — Shelters	2,673	2,673	2,673
(F) SABG — Homeless Services	1,983	1,983	1,983
Total — Homeless Assistance	\$ 20,656	\$ 24,469	\$ 21,302
Emergency Homeless Shelters .....	....	5,000	....
Attendant Care	11,628	13,381	14,241
(F) SSBG — Attendant Care	8,534	8,535	8,535
(F) Medical Assistance — Attendant Care .....	....	235	1,740
Total — Attendant Care	\$ 20,162	\$ 22,151	\$ 24,516
Services for Developmentally Disabled	3,122	5,632	7,755
(F) Medical Assistance	1,717	3,708	5,348
(F) SSBG — Developmentally Disabled	147	147	147
Total — Services for Developmentally Disabled	\$ 4,986	\$ 9,487	\$ 13,250
Arsenal Family and Children's Center	212	212	162
Beacon Lodge	124	124	124
Support Services for Children	140	200	....

PUBLIC WELFARE

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
<u>GENERAL FUND</u>			
<i>GRANTS AND SUBSIDIES: (continued)</i>			
Residence for the Blind .....	....	\$ 100	....
Subtotal — State Funds	\$ 4,059,910	\$ 4,279,065	\$ 4,262,736
Subtotal — Federal Funds	4,405,235	4,890,938	4,632,737
Subtotal — Augmentations	289,387	309,990	118,851
Total — Grants and Subsidies	<u>\$ 8,754,532</u>	<u>\$ 9,479,993</u>	<u>\$ 9,014,324</u>
STATE FUNDS	\$ 4,990,113	\$ 5,253,045	\$ 5,355,093
FEDERAL FUNDS	5,373,903	6,145,441	5,809,031
AUGMENTATIONS	359,897	362,713	164,463
GENERAL FUND TOTAL	<u>\$ 10,723,913</u>	<u>\$ 11,761,199</u>	<u>\$ 11,328,587</u>
<u>LOTTERY FUND</u>			
<i>GRANTS AND SUBSIDIES:</i>			
Medical Assistance — Long-Term Care	\$ 20,000	....	....
<u>ENERGY CONSERVATION AND ASSISTANCE FUND</u>			
<i>GRANTS AND SUBSIDIES:</i>			
Low Income Energy Assistance	\$ 9,000	\$ 351	\$ 450
<u>OTHER FUNDS</u>			
CHILDRENS TRUST FUND			
Childrens Programs	\$ 1,746	\$ 2,017	\$ 2,215
EMPLOYMENT FUND FOR THE BLIND			
Operations	\$ 611	\$ 942	\$ 674
OTHER FUNDS TOTAL	<u>\$ 2,357</u>	<u>\$ 2,959</u>	<u>\$ 2,889</u>
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 4,990,113	\$ 5,253,045	\$ 5,355,093
SPECIAL FUNDS	29,000	351	450
FEDERAL FUNDS	5,373,903	6,145,441	5,809,031
OTHER FUNDS	2,357	2,959	2,889
AUGMENTATIONS	359,897	362,713	164,463
TOTAL ALL FUNDS	<u>\$ 10,755,270</u>	<u>\$ 11,764,509</u>	<u>\$ 11,331,926</u>

PUBLIC WELFARE

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
HUMAN SERVICES SUPPORT							
General Funds.....	\$ 75,466	\$ 79,002	\$ 70,578	\$ 75,194	\$ 75,567	\$ 75,623	\$ 77,215
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	138,563	303,158	311,880	195,180	195,180	195,180	195,180
Other Funds.....	5,318	6,006	5,527	5,527	5,527	5,527	5,527
TOTAL.....	\$ 219,347	\$ 388,166	\$ 387,985	\$ 275,901	\$ 276,274	\$ 276,330	\$ 277,922
MEDICAL ASSISTANCE							
General Funds.....	\$ 2,281,722	\$ 2,520,678	\$ 2,566,233	\$ 2,720,760	\$ 2,768,823	\$ 2,832,357	\$ 2,893,667
Special Funds.....	20,000	0	0	0	0	0	0
Federal Funds.....	3,159,508	3,419,941	3,140,514	3,219,221	3,281,221	3,281,672	3,439,607
Other Funds.....	268,209	289,068	97,929	135,116	154,846	164,856	174,854
TOTAL.....	\$ 5,729,439	\$ 6,229,687	\$ 5,804,676	\$ 6,075,097	\$ 6,204,890	\$ 6,278,885	\$ 6,508,128
INCOME MAINTENANCE							
General Funds.....	\$ 1,126,822	\$ 1,086,248	\$ 1,043,027	\$ 1,039,568	\$ 1,046,587	\$ 1,057,159	\$ 1,070,259
Special Funds.....	9,000	351	450	0	0	0	0
Federal Funds.....	833,958	936,309	906,425	901,087	900,264	899,802	899,774
Other Funds.....	21,138	21,836	21,836	21,874	21,907	21,945	21,985
TOTAL.....	\$ 1,990,918	\$ 2,044,744	\$ 1,971,738	\$ 1,962,529	\$ 1,968,758	\$ 1,978,906	\$ 1,992,018
MENTAL HEALTH							
General Funds.....	\$ 390,922	\$ 423,687	\$ 514,724	\$ 492,269	\$ 492,417	\$ 492,570	\$ 492,728
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	423,102	478,413	408,750	409,883	409,883	409,883	409,883
Other Funds.....	49,816	30,898	27,215	27,215	27,215	27,215	27,215
TOTAL.....	\$ 863,840	\$ 932,998	\$ 950,689	\$ 929,367	\$ 929,515	\$ 929,668	\$ 929,826
MENTAL RETARDATION							
General Funds.....	\$ 610,433	\$ 649,738	\$ 699,814	\$ 695,243	\$ 695,844	\$ 696,464	\$ 697,101
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	427,437	487,351	496,211	504,371	504,371	504,371	504,371
Other Funds.....	14,501	13,872	10,885	10,885	10,885	10,885	10,885
TOTAL.....	\$ 1,052,371	\$ 1,150,961	\$ 1,206,910	\$ 1,210,499	\$ 1,211,100	\$ 1,211,720	\$ 1,212,357
HUMAN SERVICES							
General Funds.....	\$ 504,748	\$ 493,692	\$ 460,717	\$ 515,776	\$ 518,630	\$ 522,595	\$ 525,940
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	391,335	520,269	545,251	540,049	537,554	536,584	536,587
Other Funds.....	3,272	3,992	3,960	3,960	3,960	3,960	3,960
TOTAL.....	\$ 899,355	\$ 1,017,953	\$ 1,009,928	\$ 1,059,785	\$ 1,060,144	\$ 1,063,139	\$ 1,066,487

PUBLIC WELFARE

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
ALL PROGRAMS:							
GENERAL FUND.....	\$ 4,990,113	\$ 5,253,045	\$ 5,355,093	\$ 5,538,810	\$ 5,597,868	\$ 5,676,768	\$ 5,756,910
SPECIAL FUNDS.....	29,000	351	450	0	0	0	0
FEDERAL FUNDS.....	5,373,903	6,145,441	5,809,031	5,769,791	5,828,473	5,827,492	5,985,402
OTHER FUNDS.....	362,254	365,672	167,352	204,577	224,340	234,388	244,426
TOTAL.....	\$ 10,755,270	\$ 11,764,509	\$ 11,331,926	\$ 11,513,178	\$ 11,650,681	\$ 11,738,648	\$ 11,986,738

PUBLIC WELFARE

PROGRAM OBJECTIVE: To provide effective administrative and support systems through which the substantive programs of the department can be operated.

Program: Human Services Support

Human services support provides the administrative and support systems for the operation of health, social and economic development programs, and directs the development and implementation of human services policies for these programs.

The network of services provides direction and overhead support for Youth Development Centers, State Centers for the Mentally Retarded and Mental Health Services. Human services support operations provide overall policy, planning, direction, and information system support for a comprehensive human services system and for individuals striving

to attain and maintain a minimally acceptable level of living.

This program ensures the quality of services for Pennsylvania residents by licensing and regulating selected medical facilities, and provides direction for health programs for Pennsylvania residents who are unable to purchase adequate health care services.

The administrative costs for regional offices, various commissions and advisory committees, and the central office are included in this category. A primary concern of the Commonwealth is to minimize administrative costs in relation to service costs.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations	
\$ -4,544 —nonrecurring project.	\$ -592 —nonrecurring items.
<u>2,822</u> —to continue current program.	-258 —to continue current program.
\$ -1,722 <i>Appropriation Decrease</i>	-2,505 —decrease in PACSES projects.
	-561 —increased Federal funds for master lease items.
	<u>437</u> —increase in master lease payments.
	\$ -3,479 <i>Appropriation Decrease</i>
Information System	
\$ -263 —nonrecurring project.	
-3,427 —decrease in master lease payments.	
-1,000 —Impact of retroactive Federal funds.	
<u>1,467</u> —to continue current program.	
\$ -3,223 <i>Appropriation Decrease</i>	

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
General Government Operations	\$ 37,754	\$ 39,823	\$ 38,101	\$ 39,663	\$ 41,012	\$ 42,570	\$ 44,230
Information Systems	27,488	28,739	25,516	27,368	28,299	26,538	26,780
Program Accountability	10,224	10,440	6,961	8,163	6,256	6,515	6,205
TOTAL GENERAL FUND	<u>\$ 75,466</u>	<u>\$ 79,002</u>	<u>\$ 70,578</u>	<u>\$ 75,194</u>	<u>\$ 75,567</u>	<u>\$ 75,623</u>	<u>\$ 77,215</u>

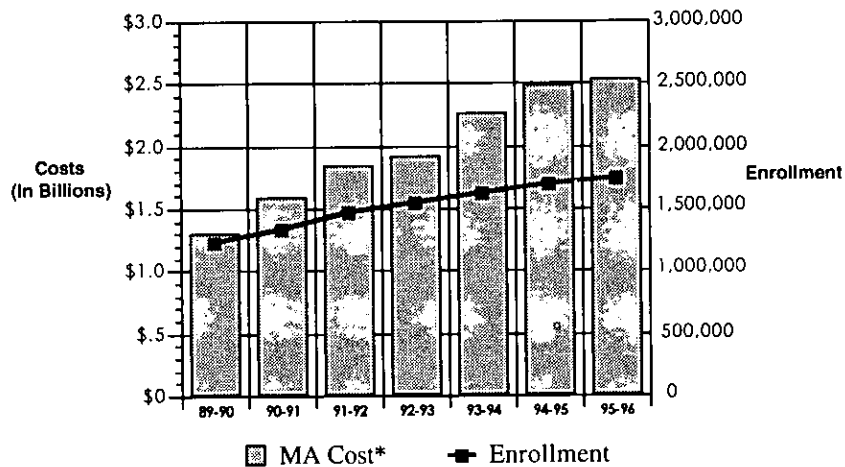
PROGRAM OBJECTIVE: To support a health care delivery system that provides comprehensive health care services in appropriate settings for the eligible populations.

Program: Medical Assistance

The Medical Assistance Program ensures access to comprehensive health care services for those individuals and families with insufficient income to maintain the household unit or with medical expenses exceeding available income. Categorically needy individuals receive cash

assistance under Aid to Families with Dependent Children, Supplemental Security Income or General Assistance programs. Medically needy persons are individuals who do not receive cash assistance grants but spend a significant portion of their income for medical expenses.

Medical Assistance Program



*General Fund and Lottery Fund for Outpatient, Inpatient, Capitation, & Long-Term Care.

Program Element: Outpatient Services

Outpatient services include the majority of services offered to a person who does not need extended acute care in a health care facility. Outpatient services include clinic and office care, medical, podiatric, dental, rehabilitation, rural health, drug and alcohol treatment, pharmaceutical services, ambulance transportation, home health care, medical supplies and equipment and prosthetic devices.

Categorically needy persons are eligible for the complete array of services provided under the Outpatient Program, while medically needy persons are eligible for all services except pharmaceutical services, dental care, medical supplies and equipment and prosthetic devices. Additional service restrictions, comparable to private insurance, apply to adult general assistance recipients with an exception process.

In the Outpatient component of the Medical Assistance Program, providers of service are primarily reimbursed on a fee for service basis according to the Medical Assistance Fee Schedule.

Program Element: Inpatient Services

Inpatient hospital services include care for Medical Assistance patients in acute care, rehabilitation and private psychiatric hospitals.

The Inpatient Medical Assistance Program provides eligible recipients coverage on a 24 hour basis for room, board and professional services. A recipient is only eligible for admission under Medical Assistance upon the recommendation of a physician, dentist or podiatrist. Hospital care solely for cosmetic procedures, as well as diagnostic or therapeutic procedures solely for experimental, research or educational purposes, are not covered by Medical Assistance.

The department uses a prospective payment system (PPS) to reimburse general hospitals. Acute care general hospitals are paid a

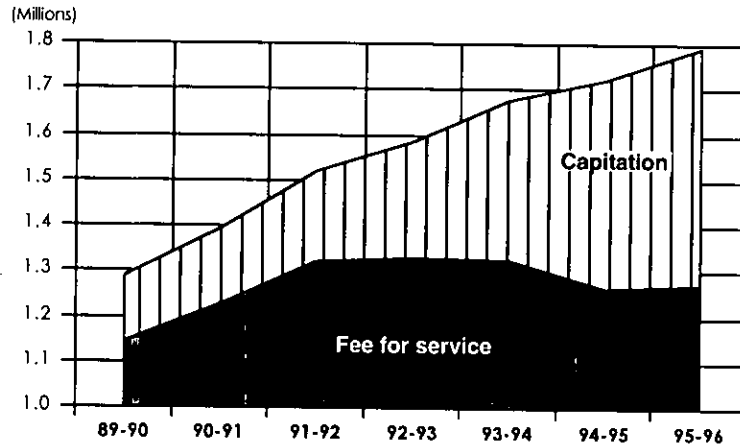
predetermined amount per discharge based on the patient's diagnosis, the procedures performed and the patient's age, sex and discharge status. The Diagnosis Related Groups (DRG) system is used to classify the various diagnoses according to the amount of resources the hospitals customarily use for treatment. The department's payment for compensable inpatient hospital services under the DRG payment system is the product of the hospital specific average cost per case multiplied by the relative value of the DRG assigned to the admission. The DRG system also accounts for certain cases that cannot fall into the predetermined reimbursement schedule. These "outlier" costs are reimbursed on an exceptional cost basis in the prospective payment to the hospital. When professional care is provided to a Medical Assistance recipient, the department separately reimburses the physician, dentist, podiatrist or midwife who provided direct care services to the recipient and is under salary or contract with the hospital. These services are reimbursed in accordance with the fees established under the Medical Assistance Fee Schedule through the Medical Assistance Outpatient appropriation.

Effective July 1, 1993, psychiatric services, both in special wings of acute care hospitals and private psychiatric facilities, are paid through a prospective payment system.

Rehabilitation hospitals are excluded from the prospective payment system. The methods of treatment and associated lengths of stay for services in these settings have a wide range of variation based on the prescribed treatment program and the patient's response to treatment. Accordingly, a DRG system cannot be used for reimbursement and payment continues to be made on retrospective cost, subject to limitations.

Program: Medical Assistance (continued)

Medical Assistance – People Enrolled



Program Element: Capitation

Alternative health care delivery systems for Medical Assistance recipients have been developed under Health Maintenance Organizations (HMO) and a Health Insuring Organization (HIO). These are two mechanisms for providing services utilizing a fixed rate per recipient enrolled.

HMOs emphasize outpatient preventive health services as a means of controlling costs. HMOs are paid a fixed or predetermined premium for each client. The department currently contracts with six HMOs to provide services to recipients in Allegheny, Armstrong, Beaver, Berks, Bucks, Delaware, Lehigh, Lancaster, Montgomery, Philadelphia and Westmoreland counties. Contracts with four additional HMO's are planned for 1995-96 that will extend service to Northampton and York counties. For recipients in Dauphin county, the department contracts with a community health center for prepaid health care.

The department contracts with a Health Insuring Organization (HIO) in five county assistance districts in Philadelphia. The HIO operates much like an HMO; a predetermined rate is paid per recipient enrolled in the HIO. The HIO also is the fiscal agent that administers the delivery of services to the recipients. The HIO is known as HealthPASS (Philadelphia Accessible Services System) and has approximately 71,000 Medical Assistance recipients participating in the program.

Both HMOs and the HIO have an incentive to effectively manage the primary care provided to enrolled recipients. If the recipient utilizes more health care than anticipated in the predetermined rate, expenditures increase and the HMO or HIO loses money. If, however, service costs are controlled, the provider can make a profit.

Program Element: Medical Assistance Transportation Program

The Medical Assistance Transportation Program provides funding to county governments for Medical Assistance recipients who need assistance traveling to and from a health care service provider or a health care facility.

County governments can provide this service directly, contract with an independent transportation agency or pay agencies which provide transportation as part of a whole human services system.

Sixty-six counties have elected to provide transportation directly. The department selected a provider from a competitive bidding process for the remaining county.

Program Element: Long-Term Care Facilities

Nursing services are provided to persons eligible for Medical Assistance through the Long-Term Care Facilities Program. Nursing facilities certified to participate in the Medical Assistance Program provide care in accordance with established standards.

Nursing facility care involves daily medical treatment and

rehabilitation services prescribed by a licensed physician. The services are provided by or under the supervision of licensed professional nursing personnel or other professional health personnel. A new prospective payment system for nursing home care will soon be implemented based on the resources required to meet individual care requirements. Patients at each facility will be classified based on Resource Utilization Groups (RUGs) which reflect both clinical variables and rehabilitation needs. The classifications are then ranked according to the resources utilized to provide care and a case mix factor is developed for each facility that reflects average resource requirements per diem cost. This is compared to other facilities within peer groups reflecting facility size within Metropolitan Statistical Areas. A median per diem cost is developed and adjusted for direct patient and other patient costs. The average per diem is then adjusted to reflect the individual facility's case mix.

Administrative and capital costs not related to patient care are added on to the basic rate. Facility capital costs will reflect the fair market rental rate based on appraisals of each facility.

Program Element: Pre-Admission Assessment

Alternatives to nursing home care for individuals with long-term care needs are offered Statewide. Pre-admission assessment is used to effectively place individuals in the most appropriate setting for their needs.

The Pre-Admission Assessment Program determines if the needs of individuals applying for nursing home care would be best met in a nursing facility or if the person's needs could be met by utilizing services available in the community, through a less intensive setting like a personal care home, or through a combination of services that can be provided in the home.

Program Element: Special Pharmaceutical Benefits Program

The Special Pharmaceutical Benefits Program (SPBP) pays for a limited number of drugs for low and moderate income persons with HIV disease/AIDS and for Clozapine drug therapy for persons residing in the community who suffer from schizophrenia. People with a gross annual income of less than \$30,000 for an individual or \$30,000 plus \$2,460 for each additional family member benefit from this program.

Program Element: Expanded Medical Services for Women

The Expanded Medical Services for Women Program provides a range of medical and counseling services to women. Services include counseling, pregnancy tests, pap smears, contraceptives, prenatal care referrals, adoption referrals, sexually-transmitted disease tests and laboratory services. Follow-up of positive test results is done to insure that women are notified of needed medical treatment. Services are usually provided in conjunction with breast cancer screening.

PUBLIC WELFARE

Program: Medical Assistance (continued)

Program Measures

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Persons participating in Medical Assistance (monthly average)	1,620,145	1,688,481	1,746,878	1,805,536	1,875,674	1,957,946	2,053,133
Outpatient							
Outpatient services:							
Physicians	8,568,214	8,293,951	8,579,647	8,653,824	8,958,769	9,419,090	9,996,999
Dentists	1,904,592	1,843,627	1,808,737	1,825,225	1,893,011	1,995,333	2,123,794
Total clinic	6,534,920	6,325,741	6,206,028	6,262,602	6,495,182	6,846,266	7,287,033
Home health	1,570,661	1,520,385	1,491,612	1,505,210	1,561,110	1,645,493	1,751,431
Prescriptions filled	17,556,630	17,907,762	18,265,917	18,631,234	19,003,858	19,383,935	19,771,613
Inpatient							
Recipients served:							
General hospitals	232,525	225,082	220,822	222,835	231,111	243,603	259,287
Rehabilitation hospitals	11,363	110,999	10,791	10,889	11,294	11,904	12,671
Private psychiatric hospitals	30,428	29,454	28,897	29,160	30,243	31,878	33,930
Average admissions per recipient:							
General hospitals	1.30	1.30	1.30	1.30	1.30	1.30	1.30
Rehabilitation hospitals	1.28	1.28	1.28	1.28	1.28	1.28	1.28
Private psychiatric hospitals	1.46	1.46	1.46	1.46	1.46	1.46	1.46
Average cost per case/admission:							
General hospitals	\$3,238	\$3,404	\$3,614	\$3,755	\$3,901	\$4,053	\$4,211
Rehabilitation hospitals	\$6,421	\$6,737	\$7,630	\$7,927	\$8,236	\$8,557	\$8,891
Private psychiatric hospitals	\$6,279	\$6,392	\$6,435	\$6,686	\$6,959	\$7,218	\$7,499
Capitation							
Medical Assistance recipients served:							
<i>(monthly average)</i>							
Fee for service delivery	1,316,849	1,270,411	1,254,961	1,271,322	1,321,425	1,394,132	1,484,571
Capitation programs	303,296	418,070	491,917	534,214	554,249	563,814	568,562
Average HMO program population	229,744	347,213	422,646	464,943	484,978	494,543	499,291
Average HIO program population	73,552	70,857	69,271	69,271	69,271	69,271	69,271
Percent of total eligibles enrolled	18.7%	24.8%	28.2%	29.6%	29.5%	28.8%	27.7%
Transportation Program							
One-way trips (in thousands)	4,354	5,117	5,343	5,404	5,404	5,404	5,404
Long-Term Care Facilities							
Recipients receiving institutional long-term care (monthly average)	71,893	72,995	75,814	77,330	78,878	80,455	82,064
Pre-Admission Assessment							
Initial Assessments	45,283	46,507	75,165	75,165	75,165	75,165	75,165
Referrals to nursing homes	33,546	34,453	55,683	55,683	55,683	55,683	55,683
Referrals for community services	11,737	12,054	19,482	19,482	19,482	19,482	19,482
Drug and Alcohol Treatment							
People treated	7,254	14,508	14,798	15,094	15,396	15,704	16,018

The Outpatient measures have been changed from those shown in the 1994-95 budget to reflect the number of services provided rather than visits.

The private psychiatric hospital average cost per admission measure decreased from the 1994-95 budget because the average length of stay component decreased.

Capitation enrollment reflects active recruitment of Medical Assistance clients by the HMO providers.

The Transportation measure was reduced from the 1994-95 budget because of a reduction in trips caused by poor weather.

The Pre-Admission Assessment measures have increased from those shown in the 1994-95 budget because of an increase in applicants for nursing home care.

The drug and alcohol treatment measure of people treated is less than shown in the 1994-95 budget because of delayed implementation.

The Women's Service Programs measure was not used because of a change in emphasis in the program.

PUBLIC WELFARE

Program: Medical Assistance (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND			Expanded Medical Services for Women
	Medical Assistance — Outpatient	\$ 60	—to provide a 2% cost-of-living adjustment.
\$ -13,663	—to reflect change in utilization.	1,000	—to provide increased services.
-3,435	—to reflect change in caseload.	\$ 1,060	<i>Appropriation Increase</i>
39,963	—to provide average drug cost increase of 10.36%.		
-2,112	—to reflect other price changes.	\$ -9,700	Medical Assistance — Inpatient
4,886	—to provide increased cost of Medicare Part B premiums and utilization.	-26,478	—nonrecurring cost of North Philadelphia Health Systems.
-1,842	—to reflect changes in operating and contract costs.	-9,472	—to reflect utilization changes.
57,439	—to replace carryover and other nonrecurring Federal funds.	15,096	—to reflect caseload changes.
-483	—to reflect Federal and administrative mandates.	2,429	—to reflect annualization of the January 1995 hospital inflation adjustment.
14,540	—revision in Federal financial participation from 54.36% to 53.27%.	2,946	—to provide for increased medical education, capital pass-through and credit adjustments.
-27,714	—to reflect nonrecurring costs related to Federal limits on pharmaceutical payments.	2,946	—to provide for increased premiums and utilization of Medicare Part A.
16,511	—to annualize copay and deductible costs for qualified Medicare beneficiaries.	4,507	—to provide for miscellaneous administrative adjustments and nonrecurring carryover.
-21,954	—to provide for nonrecurring Disproportionate Share hospital payments.	-452	—to reflect reductions in contracting costs.
18,834	—to annualize prior maternal and child health care services PRRs.	11,622	—revision in Federal financial participation from 54.36% to 53.27%.
-1,048	—to annualize prior cost containment PRRs.	-112,000	—retroactive Federal earnings for disability determinations.
-206	—to annualize the investigating welfare fraud Initiative.	99,719	—nonrecurring retroactive Federal disproportionate share earnings.
-4,366	—to annualize restructuring general assistance PRR.	-45,908	—to reflect savings from purchase of insurance coverage for eligible clients.
30,364	—net cost of insurance premiums for qualified clients offset by Outpatient savings.	-4,304	—to reflect annualization of prior year cost containment initiatives.
-7,500	—annualization of Federal financing of school district health administration costs.	-14,883	—carryover of prior year funds.
-77	—Initiative — Expansion of the Disability Advocacy Program (DAP). To assist qualified recipients to become eligible for Federal Social Security Disability Insurance and Supplemental Security Income.	-35,947	—to provide for additional Federal earnings within the disproportionate share cap.
-304	—PRR — Strengthening Individual and Family Independence. This Program Revision will ensure that fathers pay the birthing expenses for their children. See the Program Revision following the Income Maintenance subcategory for further information.	-80	—Initiative — Expansion of the Disability Advocacy Program (DAP). To assist qualified recipients to become eligible for Federal Social Security Disability Insurance and Supplemental Security Income.
-30,717	—PRR — Improving the Effectiveness of Medical Assistance. This Program Revision will generate savings through elimination of coverage for non-emergency use of emergency room services, revision of the pharmaceutical reimbursement formula, increasing pharmaceutical rebate collections, prior authorization of selected drugs and expansion of the lock-in program. See the Program Revision following this subcategory for further information.	-50,184	—PRR — Improving the Effectiveness of Medical Assistance. This Program Revision will generate savings through hospital reimbursement system efficiency enhancements, provide detoxification in the most appropriate setting, and expand the lock-in program. See the Program Revision following this subcategory for further information.
		-3,926	—PRR — Strengthening Individual and Family Independence. This Program Revision will ensure that fathers pay the birthing expenses for their children. See the Program Revision following the Income Maintenance subcategory for further information.
		\$-177,015	<i>Appropriation Decrease</i>
\$ 67,116	<i>Appropriation Increase</i>	\$ -200	Acute Care Hospital — First Class Cities
			—nonrecurring project.

PUBLIC WELFARE

Program: Medical Assistance (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	GENERAL FUND (continued)		Medical Assistance — Long-Term Care (continued)
	Medical Assistance — Capitation		
\$ 2,028	—to provide 3.0% HIO rate increase.	-1,333	—miscellaneous changes in mandatory Federal services, participation and eligibility.
-2,963	—decrease of 2.2% in HIO utilization.		—adjustment for cost settlements and disallowance.
14,333	—to provide 2.7% HMO rate increase.	-565	
85,240	—increase of 21.7% in HMO utilization.		—implementation of prudent payor.
15,562	—to provide for four new HMOs.	-30,782	—PRR — Enhancing Services for Older Pennsylvanians. This Program Revision revises the nursing facility reimbursement system and provides \$4.5 million in Intergovernmental Transfer funds to expand the availability of community-based alternatives to nursing home care. See the Program Revision following the Community Services for Older Pennsylvanians subcategory in the Department of Aging for further information.
10,084	—revision of Federal participation rate from 54.36% to 53.27%	-41,561	
4,388	—nonrecurring carryover of prior year funds.		
-15,130	—annualization of Federalizing General Assistance.		
-12,119	—one-time payment for Maxicare settlement.		
-1,748	—net adjustment for stop loss payments, HIO rate adjustment and other cost adjustments.		
109	—increase in contract costs.		
-136	—to continue current program.		
\$ 99,648	Appropriation Increase		
	Medical Assistance — Long-Term Care	\$ 54,438	Appropriation Increase
\$ 28,122	—to provide for increased caseload and utilization.		Medical Assistance — Pre-Admission Assessment
68,102	—to provide for average daily cost increase of 9.28%.	\$ 272	—increase in number and cost of assessments.
19,512	—revision of Federal participation rate from 54.36% to 53.27%.	-29	—additional Federal funds for skilled medical professional services.
14,246	—to replace carryover and Intergovernmental Transfer support.	59	—annualization of 1993-94 attendant care initiatives.
-1,303	—nonrecurring contract costs.		
		\$ 302	Appropriation Increase
			Medical Assistance — Transportation
		\$ 206	—provides for change in usage.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Medical Assistance — Outpatient	\$ 623,050	\$ 714,429	\$ 781,545	\$ 791,059	\$ 812,467	\$ 834,359	\$ 856,969
Expanded Medical Services for Women . .	3,000	3,000	4,060	4,060	4,060	4,060	4,060
AIDS Special Pharmaceutical Services . .	2,431	6,640	6,640	6,640	6,640	6,640	6,640
Medical Assistance — Inpatient	681,793	541,701	364,686	480,174	493,670	507,406	521,626
Acute Care Hospital — First Class City . .	600	200	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
Medical Assistance — Capitation	454,200	591,490	691,138	711,872	733,228	755,225	777,882
Medical Assistance — Long-Term Care . .	493,275	640,441	694,879	703,671	695,474	701,383	703,206
Geriatric Center — First Class City	100	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
Medical Assistance — Pre-Admission Assessment	4,446	4,427	4,729	4,729	4,729	4,729	4,729
Medical Assistance — Transportation . . .	18,826	18,349	18,555	18,555	18,555	18,555	18,555
State General Hospitals	1	1	1	. . . . .	. . . . .	. . . . .	. . . . .
TOTAL GENERAL FUND	\$ 2,281,722	\$ 2,520,678	\$ 2,566,233	\$ 2,720,760	\$ 2,768,823	\$ 2,832,357	\$ 2,893,667
LOTTERY FUND:							
Medical Assistance — Long-Term Care . .	\$ 20,000	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
TOTAL LOTTERY FUND	\$ 20,000	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .

Program Revision: Improving the Effectiveness of Medical Assistance

The Pennsylvania Medical Assistance Program is one of the largest health care payors in the Commonwealth. Over 1.7 million Pennsylvanians, or approximately 14 percent of the population, receive a comprehensive package of health care services through the Medical Assistance Program. Eligibility for the program ranges from 185 percent of the Federal poverty level for pregnant women and infants to approximately 60 percent of the Federal poverty level for adults. As caseloads increase and the cost of health care continues to escalate, the Commonwealth must implement strategies to promote the most appropriate use of care and reduce unnecessary expenditures. This Program Revision proposes several changes to the Medical Assistance Program in an effort to address these goals.

Drug and alcohol services provided in acute care hospitals are currently available to Medical Assistance recipients on an unlimited basis. However, many individuals currently served in an inpatient setting do not require hospital-based care and would be more appropriately served in a non-hospital residential facility. In addition, the cost of hospital-based detoxification is three times the cost of non-hospital residential care. Consequently, this Program Revision proposes to limit drug and alcohol detoxification admissions to those which are medically necessary. Effective October 1, 1995, this initiative will save the State approximately \$6 million in 1995-96.

To further promote the appropriate use of care, this Program Revision proposes to eliminate payments for emergency room services used for non-emergency care. Emergency room visits that are for the treatment of non-urgent ailments, or that are unrelated to life-threatening trauma, constitute a costly, inefficient and inappropriate use of services. Per encounter, payment rates for non-emergency use of emergency room services are almost twice the cost of a physician office visit. As a result, this Program Revision proposes to discontinue coverage for the non-emergency use of emergency room care, effective July 1, 1995. Additional funds have been provided for clinic and physician visits for those Medical Assistance recipients who may have otherwise been inappropriately served through the emergency room. The net State savings from this initiative is \$3.7 million in 1995-96.

Several initiatives are being proposed to continue to provide pharmaceutical coverage, one of the most costly optional benefits offered through the Medical Assistance Program. To address the escalating costs of prescriptions, this Program Revision proposes to revise the pharmacy reimbursement formula for brand name drugs. Currently, the Medical Assistance Program reimburses pharmacies either their usual and customary charge or the drug ingredient cost plus a \$3.50 dispensing fee, whichever is lower. The drug ingredients cost for brand name drugs

is currently determined by the average wholesale price (AWP). In order to align the Medical Assistance Program with other third party payors, this Program Revision proposes to discount the AWP and/or implement other revisions to the pharmaceutical reimbursement formula. Effective September 1, 1995, this initiative will save approximately \$21.4 million in State funds during 1995-96.

Medical Assistance pharmaceutical expenditures are partially offset by mandatory rebates from pharmaceutical manufacturers. However, rebates remain uncollected because of backlogs in the dispute resolution process whereby manufacturers challenge the department's rebate estimates. This Program Revision proposes to address the backlog and collect an additional \$2 million in rebates each year.

Given the tendency for some Medical Assistance recipients to overuse and/or misuse pharmaceuticals, this Program Revision proposes to expand the prior authorization program to include anti-ulcer drugs, certain acne drugs, human growth hormones and blood cell growth factors. Effective July 1, 1995, this initiative will save the Commonwealth \$3.4 million in 1995-96.

To further reduce the abuse of Medical Assistance services, approximately 50 additional Medical Assistance recipients per month will be added to the Recipient Restriction Program. This lock-in program requires individuals identified as abusing services to use an assigned physician and pharmacy. This initiative will save a total of \$364,000 during 1995-96 and \$947,000 in 1996-97.

Finally, this Program Revision proposes to address the increasing costs of inpatient services. Currently, the Medical Assistance Program provides comprehensive coverage for acute, psychiatric and rehabilitation hospital care. To continue to provide medically necessary inpatient services, this Program Revision proposes to develop a variety of efficiency enhancements in the acute care, psychiatric and rehabilitation hospital reimbursement systems which will save the Commonwealth approximately \$44 million in 1995-96.

In an effort to promote the appropriate use of health care and control rising costs, managed care programs within the Medical Assistance Program will be expanded in 1995-96.

Through this Program Revision, the effectiveness of the Medical Assistance Program will be improved by promoting the use of appropriate care, reducing the incidence of misuse and abuse and revising provider reimbursement formulas.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Inpatient hospital admissions for detoxification							
Current	302,282	292,606	287,069	289,686	300,444	316,684	337,073
Program Revision .....	....	....	281,379	279,843	290,601	306,841	327,230
Non-emergency, emergency room visits eliminated							
Program Revision .....	....	....	445,948	445,948	445,948	445,948	445,948

PUBLIC WELFARE

Program: Improving the Effectiveness of Medical Assistance (continued)

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Physician services							
Current	8,568,214	8,293,951	8,136,990	8,211,167	8,516,112	8,976,433	9,554,342
Program Revision .....	....	....	8,579,647	8,653,824	8,958,769	9,419,090	9,996,999
Additional independent clinic visits							
Program Revision .....	....	....	3,291	3,291	3,291	3,291	3,291
Additional persons added to the Recipient Restriction Program per month							
Program Revision .....	....	....	50	50	50	50	50

Program Revision Recommendations:

This budget recommends the following changes: (Dollar amounts in Thousands)

Medical Assistance - Outpatient	Medical Assistance - Inpatient
\$ -30,717	\$ -50,184
—savings generated through the following initiatives: eliminate coverage for non-emergency use of emergency room care (\$3.692 million); revise pharmaceutical reimbursement formula (\$21.41 million); increase pharmaceutical rebate collections (\$2.046 million); prior authorize selected drugs (\$3.389 million); and, expansion of lock-in program (\$180,000).	—savings generated through the following initiatives: medically necessary detoxification (\$6 million); expansion of lock-in program (\$184,000); and, hospital reimbursement system efficiency enhancements (\$44 million).
	\$-80,901
	<i>Program Revision Total</i>

Recommended Program Revision Costs by Appropriation:

(Dollar amounts in Thousands)

	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimate
GENERAL FUND:							
Medical Assistance - Outpatient	\$ -30,717	\$ -42,843	\$ -46,484	\$ -50,456	\$ -54,805
Medical Assistance - Inpatient	-50,184	-56,910	-57,361	-57,824	-58,305
TOTAL GENERAL FUND	\$ -80,901	\$ -99,753	\$ -103,845	\$ -108,280	\$ -113,110

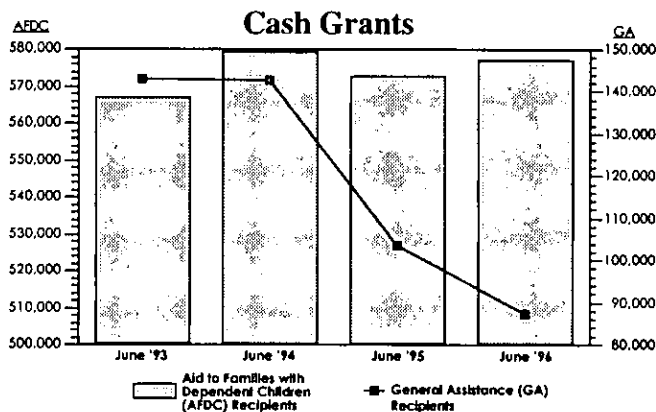
PROGRAM OBJECTIVE: To provide job training opportunities, cash and other assistance in support of minimum standards of living and economic independence to individuals who are dependent or disadvantaged.

Program: Income Maintenance

The broad purpose of public assistance is to provide cash and other forms of assistance to the needy and distressed to enable them to maintain a decent and healthful standard of living for themselves and their dependents and to provide assistance in a manner that promotes self-respect, rehabilitation and self-dependency.

Program Element: Income Assistance

The County Assistance Office (CAO) is the department's direct link with the assistance client. Staff reviews applicant eligibility for all program benefits and insures that required documentation is on file. Data is entered into the department's client information system and is available for Medical Assistance program determinations as well as Income Maintenance. All final Medical Assistance claims payments and most Cash Grants payments are generated through the central office using automated systems.



Cash assistance is provided to persons determined by the staff in county assistance offices to be eligible under the Federal Aid to Families with Dependent Children (AFDC) Program, the State General Assistance (GA) Program and the State Blind Pension (SBP) Program. AFDC provides cash support for dependent children who cannot be supported properly due to the absence, incapacity, unemployment or death of a parent or parents. In Pennsylvania, the AFDC payments in 1994-95 are funded by 54 percent Federal and 46 percent State dollars. GA and SBP on the other hand are entirely State funded programs. Most GA recipients are individuals or married couples with no dependent children but with disabilities that prevent employment. Recipients of a State Blind Pension are persons who meet age, vision and personal resource requirements specified in the Public Welfare Code.

The Low Income Home Energy Assistance Program (LIHEAP) assists eligible households by offsetting the burden of high energy costs

and intervening in energy crisis situations. The eligibility standard of 135 percent of the Federal poverty level includes every household member's income. Cash payments are made to energy suppliers for persons responsible for paying heating costs or directly to those households where home heating is included in the rent. Crisis payments may cover heating costs when a household has received a termination notice for not paying bills as well as emergency repairs to heating systems. Since 1988-89, the LIHEAP Program has been supplemented with Federal funds from Title IV-A of the Social Security Act. When AFDC households are composed of exactly the same people as the LIHEAP household, the AFDC special energy supplement will replace LIHEAP funds. The State match is provided from the Energy Conservation and Assistance Fund.

The Supplemental Security Income (SSI) Program provides aged, blind, and disabled persons with a monthly payment based on nationally uniform eligibility standards. Presently, the basic monthly rate for individuals is \$458.00 and \$687.00 for couples. Pennsylvania contributes a supplemental grant of \$32.40 for an individual and \$48.70 for a couple to SSI recipients through the Federal Government. A special monthly State supplement is paid to SSI eligible persons in domiciliary care facilities and personal care homes. The department administers a Disability Advocacy Program (DAP) to assist mentally and physically disabled individuals in establishing their eligibility for Federal SSI benefits. For SSI residents of personal care homes, the minimum personal care allowance is \$60 a month.

Program Element: Employment and Training Program

The purpose of the New Directions Program is to assist Aid to Families with Dependent Children, General Assistance and Food Stamp clients to obtain full-time permanent employment, and to improve vocational and basic skills needed to qualify for employment.

Beginning in April 1987, the department reorganized its employment and training efforts to better respond to individual client needs and target resources to clients who have barriers to employment such as lack of education, training or work experience. Job-ready clients are referred directly to the Job Service for placement assistance. Job Service staff are located in major county assistance offices to facilitate the process. Those clients who need additional preparation for employment are matched by county assistance office staff with education, training and work experience opportunities.

The department supports two inter-departmental programs to provide specialized education and training services to clients under the Single Point of Contact (SPOC) and Transitionally Needy (TN) programs.

Single Point of Contact coordinates the resources of the Department of Public Welfare, the Job Service and the Job Training Partnership Act Work Program to provide assessment, education, training, support and placement services to participants from a range of target groups. SPOC provides employment activities mandated by the Family Support Act of 1988. The TN program provides intensive training and employment services to clients with barriers to employment.

PUBLIC WELFARE

Program: Income Maintenance (continued)

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Persons receiving cash assistance, monthly average	720,916	694,070	668,890	668,890	668,890	668,890	668,890
Persons receiving State Supplemental Grants, monthly average	243,335	258,400	275,700	275,700	275,700	275,700	275,700
Households receiving energy cash payments	328,610	325,600	254,100	254,100	254,100	254,100	254,100

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND		Cash Grants (continued)
County Assistance Offices		
\$ -125 —to annualize the 1994-95 Restructuring General Assistance PRR.	-706	—to annualize the 1994-95 Investigating Welfare Fraud PRR.
10,963 —to continue current program.	-29,850	—to annualize the 1994-95 Restructuring General Assistance PRR.
731 —revision of Federal participation rate from 54.36% to 53.27%.	-1,853	—effect of ongoing Disability Advocacy Program.
3,000 —to replace nonrecurring Federal funds.	-334	—increase in Federal support for Community Work Experience Program participants.
\$ 14,569 Appropriation Increase	-846	—effect of ongoing front-end investigations.
	1,505	—to provide ongoing and expanded employment and training.
County Administration — Statewide		
\$ -2,500 —increase in Federal funds.	-279	—Initiative — Expansion of the Disability Advocacy Program (DAP). To assist qualified recipients to become eligible for Federal Social Security Disability Insurance and Supplemental Security Income.
-1,751 —nonrecurring cost of Supplemental Security Income cost containment initiative.		—PRR — Strengthening Individual and Family Independence. This Program Revision will eliminate the cash grants component for transitionally needy recipients and implement a three-county pilot fingerprint verification system to reduce welfare fraud and abuse. See the Program Revision following this subcategory for further information.
2,456 —to continue current program.	-36,174	
-8 —to annualize the 1994-95 Maternal and Child Health Care Services PRR.		\$ -66,846 Appropriation Decrease
35 —annualization of 1994-95 AIDS Service Initiatives PRR.		
2,034 —PRR — Strengthening Individual and Family Independence. This Program Revision will ensure that fathers pay the birthing expenses for their children and implement a three-county pilot fingerprint verification system and a Statewide photo identification program to reduce welfare fraud and abuse. See the Program Revision following this subcategory for further information.	\$ 9,064	Supplemental Grants
\$ 266 Appropriation Increase		—to provide for increased caseload and average benefits.
		6,122 —Federal administrative fee increase.
New Directions		-7,559 —Initiative — Reduce Supplemental Security Income State Supplement. To offset the \$5.00 Federal Supplemental Security Income (SSI) check issuance fee.
\$ 150 —to continue current program.		13 —Initiative — Expansion of the Disability Advocacy Program (DAP). To assist qualified recipients to become eligible for Federal Social Security Disability Insurance and Supplemental Security Income.
1,000 —PRR — Strengthening Individual and Family Independence. This Program Revision will provide new funding for job training programs. See the Program Revision following this subcategory for further information.		\$ 7,640 Appropriation Increase
\$ 1,150 Appropriation Increase		
Cash Grants		
\$ 8,103 —to provide for increased caseload and average benefits.	\$ 7,640	ENERGY CONSERVATION AND ASSISTANCE FUND
-8,973 —nonrecurring items.		Low Income Home Energy Assistance
-5,069 —to reflect increased collections.		—to continue current program.
7,630 —revision of Federal participation rate from 54.36% to 53.27%.	\$ 99	

PUBLIC WELFARE

Program: Income Maintenance (continued)

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
County Assistance Offices	\$ 210,541	\$ 217,155	\$ 231,724	\$ 241,225	\$ 249,427	\$ 258,905	\$ 269,002
County Administration — Statewide	36,099	39,167	39,433	44,013	46,456	47,757	49,337
New Directions	44,873	32,513	33,663	34,872	36,028	37,364	38,787
Cash Grants	724,632	674,822	607,976	596,198	592,296	591,728	591,728
Supplemental Grants — Aged, Blind and Disabled	110,677	122,591	130,231	123,260	122,380	121,405	121,405
TOTAL GENERAL FUND	\$ 1,126,822	\$ 1,086,248	\$ 1,043,027	\$ 1,039,568	\$ 1,046,587	\$ 1,057,159	\$ 1,070,259
ENERGY CONSERVATION AND ASSISTANCE FUND:							
Low Income Home Energy Assistance ...	\$ 9,000	\$ 351	\$ 450	.....	.....	.....	.....

Program Revision: Strengthening Individual and Family Independence

Public assistance is intended to be a safety net for those who find themselves in need. The expectation is that individuals and families who are capable will become independent after public resources have assisted them through a crisis. Although this holds true for many recipients, others have grown accustomed to public welfare as a way of life. Measures are needed to set these individuals and families on the path to independence. This Program Revision is directed toward achieving this goal through various innovative approaches which propose to:

- eliminate cash payments to the most able-bodied General Assistance clients, but continue their health-care coverage
- increase the availability of quality child day care for parents seeking to join the workforce
- identify fathers of newborns so they assume responsibility for their children
- utilize the latest electronic technology to verify the identity of welfare recipients

This Program Revision begins to revise Pennsylvania's welfare system to better reflect the value all Pennsylvanians place on work, individual responsibility and family stability. It provides support to those willing to work toward a better way of life and it offers those individuals and families willing to help themselves a real chance to succeed.

Limit Transitionally Needy Benefits

Generally, transitionally needy recipients are the most able to achieve economic independence with minimal assistance from the State. Currently, transitionally needy recipients receive one 60 day period of cash assistance during any 24 month period. This Program Revision recommends eliminating the cash benefits to these recipients while maintaining the medical benefits currently available. In an effort to help these recipients achieve economic independence, State funding of \$33.7 million, a \$1 million increase, will be provided for job training. The net State fund savings from this change is estimated at \$35 million in 1995-96.

Expand Subsidized Child Day Care

Often, the single most important factor in allowing a person to leave welfare and begin employment is the availability of adequate child care. This Program Revision provides \$5 million to expand the subsidized

child day care program by 3,125 slots, effective January 1996. These slots will be targeted toward families who are working and receiving Aid to Families with Dependent Children (AFDC) benefits or who formerly received AFDC benefits and are no longer eligible for Transitional Child Care, and toward families whose income is below 185 percent of the Federal poverty level. This expansion will serve an additional 4,510 children from low-income working families.

Increase Domestic Relations Support

In order to promote paternal responsibility, this Program Revision proposes to recover Medical Assistance birthing expenses from fathers able to pay. Based on information prepared by the Commonwealth's Office of Medical Assistance, county Domestic Relations Offices will petition the court for reimbursement of birthing expenses from the newborn's father and/or his insurance company. The estimated net State fund savings for this component is \$4.2 million.

Verify Recipient Identification

In an effort to maintain adequate resources for eligible welfare recipients, the Commonwealth is committed to establishing vigorous safeguards against fraud and abuse. Improvements in technology now provide more accurate means to identify eligible welfare recipients. This Program Revision recommends the implementation of a fingerprint identification system in Philadelphia, Bucks and York counties. When applying or reapplying for benefits at County Assistance Offices, recipients will be fingerprinted and the image will be scanned into a database and stored electronically. Each new image will be matched against fingerprint images residing in the database to detect duplicate prints.

In addition to the fingerprint identification system, a photo identification program will also be implemented. A digitized photo on the medical assistance cards will prevent misuse of the cards by unauthorized users attempting to obtain medical services and/or prescription drugs. The net State fund cost for both the fingerprint and photo identification components of this Program Revision is approximately \$1.5 million in 1995-96. A net State savings of \$4.6 million will be realized in 1996-97.

This Program Revision is designed to assure that those who need public support are able to receive it through a system that is fiscally sound and encourages independence.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
General Assistance clients (monthly average)							
Current	143,510	115,400	103,800	103,800	103,800	103,800	103,800
Program Revision .....	....	....	87,300	87,300	87,300	87,300	87,300
Children receiving subsidized day care							
Current	47,231	50,000	50,000	50,000	50,000	50,000	50,000
Program Revision .....	....	....	54,510	54,510	54,510	54,510	54,510
Adult recipients to be fingerprinted							
Program Revision .....	....	....	248,405	590,995	792,519	792,519	792,519

PUBLIC WELFARE

Program: Strengthening Individual and Family Independence (continued)

Program Revision Recommendations:

This budget recommends the following changes: (Dollar amounts in Thousands)

\$ 2,034	County Administration Statewide —to implement the recipient verification and domestic relations support components.	\$ -3,926	Medical Assistance - Inpatient —savings generated from recovery of birthing expenses.
\$ 1,000	New Directions —to provide additional job training slots.	\$ 5,000	Day Care Services —to increase the number of subsidized child day care slots.
\$ -36,174	Cash Grants —savings generated as a result of implementing revisions to the General Assistance Program and the recipient verification components.	\$ -32,370	<i>Program Revision Total</i>
\$ -304	Medical Assistance - Outpatient —savings generated from recovery of birthing expenses.		

Recommended Program Revision Costs by Appropriation:

(Dollar amounts in Thousands)

	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimate
GENERAL FUND:							
County Administration Statewide	\$ 2,034	\$ 5,081	\$ 6,200	\$ 5,971	\$ 5,921
New Directions	1,000	870	870	870	870
Cash Grants	-36,174	-45,393	-47,310	-47,763	-47,763
Medical Assistance - Outpatient	-304	-405	-405	-405	-405
Medical Assistance - Inpatient	-3,926	-5,234	-5,234	-5,234	-5,234
Day Care Services	5,000	10,300	10,609	10,927	11,255
TOTAL GENERAL FUND	\$ -32,370	\$ -34,781	\$ -35,270	\$ -35,634	\$ -35,356

PROGRAM OBJECTIVE: To maximize the individual's capacity for independent living through the provision of an array of service and support programs.

Program: Mental Health

This program provides for an integrated mental health system consisting of comprehensive mental health services and State operated hospitals. Community mental health services are administered under the Pennsylvania Mental Health and Mental Retardation (MH/MR) Act of 1966 and the Mental Health Procedures Act (MHPA) of 1976. Thirteen mental hospitals and one restoration (long-term care) center make up the State mental hospital system.

Program Element: Community Mental Health Services

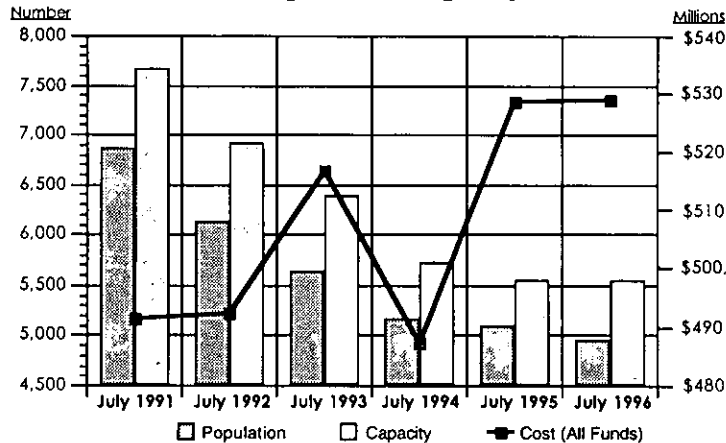
The MH/MR Act of 1966 requires county governments to provide an array of community-based mental health services, including information and referral, unified intake, community consultation and education, case management, short-term inpatient treatment, partial hospitalization, outpatient care, emergency services, aftercare and specialized rehabilitation services. These services have been expanded through the addition of intensive case management, family based mental health, housing support services, crisis intervention and other community

services. Services are generally administered by a single county, county joiners or through contracts with other provider organizations or agencies. Services, with some exceptions, are funded with ninety percent State funds and ten percent county matching funds. Community residential services consist of residential treatment, inpatient services, crisis services and community residential rehabilitation (CRR) services. Community services are targeted to adults with serious mental illness and children/adolescents with or at risk of serious emotional disturbance.

Program Element: State Mental Hospitals

State mental hospitals provide long-term inpatient care for individuals who require intensive inpatient treatment or individuals who have no available alternatives. Additionally, they provide specialized inpatient care for adolescents, criminal offenders and elderly (long-term) populations. Efforts continue to transfer patients and funds to community mental health programs, providing a less restrictive level of care, through the Community Hospital Integration Projects Program.

Mental Hospitals Population compared to Capacity and Costs



1993-94 reflects extraordinary retroactive Federal reimbursements for facilities serving a disproportionate share of low income people.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Persons provided mental health services (unduplicated)	208,644	208,644	208,644	208,644	208,644	208,644	208,644
State mental hospital population at end of fiscal year	5,162	5,098	5,098	5,098	5,098	5,098	5,098
Percentage of persons readmitted to State mental hospitals after last discharge:							
within 30 days	2.63%	2.63%	2.63%	2.63%	2.63%	2.63%	2.63%
31-92 days	4.60%	4.60%	4.60%	4.60%	4.60%	4.60%	4.60%
93-182 days	5.35%	5.35%	5.35%	5.35%	5.35%	5.35%	5.35%
183-364 days	7.62%	7.62%	7.62%	7.62%	7.62%	7.62%	7.62%
over 365 days	25.69%	25.69%	25.69%	25.69%	25.69%	25.69%	25.69%

PUBLIC WELFARE

Program: Mental Health (continued)
Program Measures: (continued)

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Persons served in community residential mental health facilities	5,367	5,397	5,397	5,397	5,397	5,397	5,397
Persons receiving intensive case management	12,588	12,906	12,906	12,906	12,906	12,906	12,906
Persons served with family based mental health	1,959	2,046	2,046	2,046	2,046	2,046	2,046

During 1993-94, the Consolidated Community Reporting System (CCRS) was implemented Statewide. This resulted in decreases from numbers shown in the 1994-95 budget under persons provided mental health services, persons served in community residential mental health facilities and persons receiving intensive case management.

Hospital and Restoration Center Populations for the Prior, Current and Upcoming Year:

	Projected Capacity July 1995	Population July 1993	Population July 1994	Projected Population July 1995	Projected Percent of Capacity July 1995
State Mental Hospitals					
Allentown	415	440	408	410	98.80%
Clarks Summit	512	463	422	420	82.03%
Danville	379	418	391	369	97.36%
Eastern State School and Hospital	122	122	115	112	91.80%
Farview	160	150	132	150	93.75%
Harrisburg	392	445	375	375	95.66%
Haverford	360	373	332	316	87.78%
Mayview	654	725	643	640	97.86%
Norristown	650	653	607	605	93.08%
Somerset	240	239	234	235	97.92%
Torrance	349	345	322	300	85.96%
Warren	424	417	373	351	82.78%
Wernersville	465	436	433	435	93.55%
South Mountain	430	411	375	380	88.37%
TOTAL	5,552	5,637	5,162	5,098	91.82%

Total Proposed Expenditures by Hospital, Restoration Center and Community Programs:

	(Dollar Amounts in Thousands)			(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Budget	1993-94 Actual	1994-95 Available	1995-96 Budget
ALLENTOWN						
State Funds	\$ 13,495	\$ 14,110	\$ 20,994	EASTERN STATE SCHOOL AND HOSPITAL		
Federal Funds	15,683	20,176	14,013	State Funds	\$ 10,056	\$ 10,515
Augmentations	3,180	2,264	1,863	Federal Funds	9,462	9,879
TOTAL	\$ 32,358	\$ 36,550	\$ 36,870	Augmentations	2,000	1,147
				TOTAL	\$ 21,518	\$ 20,899
CLARKS SUMMIT						
State Funds	\$ 14,566	\$ 15,229	\$ 20,873	FARVIEW		
Federal Funds	16,285	20,289	14,092	State Funds	\$ 16,731	\$ 18,878
Augmentations	3,231	2,628	2,388	Federal Funds		
TOTAL	\$ 34,082	\$ 38,146	\$ 37,353	Augmentations	1,426	656
				TOTAL	\$ 18,157	\$ 21,082
DANVILLE						
State Funds	\$ 12,989	\$ 13,306	\$ 19,035	HARRISBURG		
Federal Funds	15,402	19,581	13,472	State Funds	\$ 13,578	\$ 12,853
Augmentations	2,941	2,384	2,048	Federal Funds	16,937	21,221
TOTAL	\$ 31,332	\$ 35,271	\$ 34,555	Augmentations	3,099	2,052
				TOTAL	\$ 33,614	\$ 36,126
						\$ 35,165

PUBLIC WELFARE

Program: Mental Health (continued)

Total Proposed Expenditures by Hospital, Restoration Center and Community Program (continued):

	(Dollar Amounts in Thousands)				(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Budget		1993-94 Actual	1994-95 Available	1995-96 Budget
HAVERFORD				TORRANCE			
State Funds	\$ 15,749	\$ 16,426	\$ 22,237	State Funds	\$ 12,970	\$ 13,564	\$ 19,287
Federal Funds	13,734	16,142	10,873	Federal Funds	14,420	17,495	12,073
Augmentations	2,272	1,919	1,496	Augmentations	2,661	2,113	1,946
TOTAL	<u>\$ 31,755</u>	<u>\$ 34,487</u>	<u>\$ 34,606</u>	TOTAL	<u>\$ 30,051</u>	<u>\$ 33,172</u>	<u>\$ 33,306</u>
MAYVIEW				WARREN			
State Funds	\$ 39,054	\$ 40,542	\$ 51,379	State Funds	\$ 16,500	\$ 16,535	\$ 26,127
Federal Funds	28,861	31,173	20,674	Federal Funds	17,458	22,740	15,390
Augmentations	3,840	3,077	2,668	Augmentations	3,328	2,756	2,460
TOTAL	<u>\$ 71,755</u>	<u>\$ 74,792</u>	<u>\$ 74,721</u>	TOTAL	<u>\$ 37,286</u>	<u>\$ 42,031</u>	<u>\$ 43,977</u>
NORRISTOWN				WERNERSVILLE			
State Funds	\$ 36,444	\$ 38,029	\$ 48,819	State Funds	\$ 13,960	\$ 14,597	\$ 20,326
Federal Funds	29,310	29,843	19,980	Federal Funds	15,268	20,417	14,180
Augmentations	4,836	3,737	3,463	Augmentations	2,736	2,284	2,101
TOTAL	<u>\$ 70,590</u>	<u>\$ 71,609</u>	<u>\$ 72,262</u>	TOTAL	<u>\$ 31,964</u>	<u>\$ 37,298</u>	<u>\$ 36,607</u>
SOMERSET				COMMUNITY PROGRAMS			
State Funds	\$ 8,248	\$ 8,624	\$ 12,030	State Funds	\$ 153,436	\$ 180,915	\$ 186,760
Federal Funds	8,846	11,406	7,920	Federal Funds	210,032	225,350	236,895
Augmentations	2,084	1,575	1,416	Augmentations	9,300	.....	.....
TOTAL	<u>\$ 19,178</u>	<u>\$ 21,605</u>	<u>\$ 21,366</u>	TOTAL	<u>\$ 372,768</u>	<u>\$ 406,265</u>	<u>\$ 423,655</u>
SOUTH MOUNTAIN RESTORATION CENTER							
State Funds	\$ 9,146	\$ 9,564	\$ 14,266				
Federal Funds	11,404	14,701	10,211				
Augmentations	2,882	2,306	1,788				
TOTAL	<u>\$ 23,432</u>	<u>\$ 26,571</u>	<u>\$ 26,265</u>				

PUBLIC WELFARE

Program: Mental Health (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Mental Health Services	
\$ -3,705	—nonrecurring items.
20,309	—to continue current program.
77,101	—to replace nonrecurring Federal funds.
-10,000	—to reflect institutional right sizing.
2,700	—to annualize the 1994-95 needs based initiative.
2,231	—to annualize the 1994-95 community hospital integration projects.
2,401	—Initiative — Expansion of Community Mental Health Services. To expand community mental health services including intensive case management, resource coordination, family-based services, supported employment and crisis intervention. In addition, this initiative proposes to begin claiming Federal Medical Assistance funding for psychiatric rehabilitation services.
\$ 91,037	<i>Appropriation Increase</i>

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Mental Health Services	\$ 386,922	\$ 423,687	\$ 514,724	\$ 492,269	\$ 492,417	\$ 492,570	\$ 492,728
Psychiatric Services in Eastern Pennsylvania	4,000	.....	.....	.....	.....	.....	.....
TOTAL GENERAL FUND	<u>\$ 390,922</u>	<u>\$ 423,687</u>	<u>\$ 514,724</u>	<u>\$ 492,269</u>	<u>\$ 492,417</u>	<u>\$ 492,570</u>	<u>\$ 492,728</u>

PUBLIC WELFARE

PROGRAM OBJECTIVE: To maximize the individual's capacity for more independent living through the provision of an array of service, training and support programs.

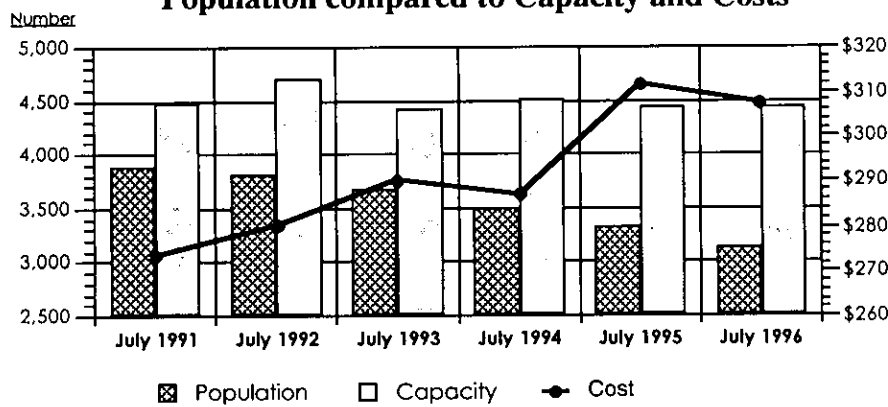
Program: Mental Retardation

The Department of Public Welfare supports a comprehensive array of mental retardation services including State and privately operated intermediate care facilities and community residential and non-residential programs which are either administered or operated by the counties. In addition to State and Federal funding, local funding is provided for community programs as authorized by the Mental Health and Mental Retardation Act of 1966.

Program Element: State Centers for the Mentally Retarded

The Commonwealth provides services through nine State centers and three mental retardation units. The primary goal is to develop each resident's ability to function more independently thus enabling them to live in less restrictive environments. All facilities are currently certified for Medical Assistance under standards established by the Health Care Financing Administration.

State Centers for the Mentally Retarded Population compared to Capacity and Costs



Program Element: Private Intermediate Care Facilities for the Mentally Retarded (ICF/MRs)

Private ICF/MRs provide intensive habilitative services to persons with mental retardation. Large facilities are single or multiple buildings on campus-like sites accommodating more than 8 persons; small facilities are located in the community and serve 8 or less persons.

Program Element: Community Mental Retardation Services

The Mental Health and Mental Retardation Act of 1966 provides the statutory basis for the development of community-based services for people with mental retardation. Community residential facilities provide an opportunity for persons with mental retardation to live in a community

environment. Some services are eligible for Federal funds under the Medicaid Home and Community Based Waiver Program. Non-residential services are available to meet the needs of persons with mental retardation and provide an alternative to residential placement.

Program Element: Early Intervention

The Department of Public Welfare administers the Early Intervention Program for children from birth to age two, inclusive. Services include health care, skill development and social services. These services are intended to minimize developmental delay and the need for special education, to enhance potential for independent living, and to assist families in meeting their children's special needs.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Persons receiving MR services during fiscal year	63,185	63,865	64,989	64,989	64,989	64,989	64,989
Persons receiving community non-residential services:							
Early intervention — average monthly caseload	6,727	7,227	8,227	8,227	8,227	8,227	8,227
Adult day services	18,550	18,890	18,890	18,890	18,890	18,890	18,890
Family support services	17,523	17,523	17,523	17,523	17,523	17,523	17,523
Persons receiving residential services (at end of fiscal year):							
Residents of community residential facilities (CRF)	9,570	9,910	9,923	9,923	9,923	9,923	9,923
Residents in private ICF/MRs	3,392	3,382	3,340	3,340	3,340	3,340	3,340
Residents in State centers and MR units	3,504	3,320	3,133	3,103	3,073	3,043	3,013

PUBLIC WELFARE

Program: Mental Retardation (continued)

Program Measures: (continued)

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Persons transferred to more independent settings during fiscal year from:							
Community residential facilities	191	200	200	200	200	200	200
State centers and MR units	110	161	187	30	30	30	30

Family support services did not increase as shown in the 1994-95 Budget because litigation and other program changes required a redirection of priorities.

The number of residents transferred from community residential facilities to more independent facilities has been adjusted to 200 based on recent trends.

The 1994-95 estimate for persons transferred to more independent settings from State centers and MR units includes 61 placements from Embreeville, 95 from Western Center, 5 from Mayview and 38 placements originally planned for 1993-94.

State Centers Population for the Prior, Current and Upcoming Year:

	Projected Bed Capacity July 1995	Population July 1993	Population July 1994	Projected Population July 1995	Projected Percent Capacity July 1995
State Centers					
Altoona	138	130	129	136	98.6%
Ebensburg	528	468	457	445	84.3%
Embreeville	276	210	171	110	39.9%
Hamburg	415	337	333	330	79.5%
Laurelton	268	206	205	202	75.4%
Polk	859	735	719	710	82.7%
Selinsgrove	791	688	677	670	84.7%
Western	500	329	262	185	37.0%
White Haven	460	390	381	375	81.5%
TOTAL STATE CENTERS	4,235	3,493	3,334	3,163	74.7%
Units for Mentally Retarded					
Mayview	80	75	71	65	81.3%
Somerset	66	58	55	52	78.8%
Torrance	68	45	44	40	58.8%
TOTAL UNITS FOR MENTALLY RETARDED	214	178	170	157	73.4%
GRAND TOTAL	4,449	3,671	3,504	3,320	74.6%

PUBLIC WELFARE

Program: Mental Retardation (continued)

Proposed Expenditures by Center: (continued)

	(Dollar Amounts in Thousands)				(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Budget		1993-94 Actual	1994-95 Available	1995-96 Budget
ALTOONA				SELINGSGROVE			
State Funds	\$ 2,784	\$ 2,781	\$ 3,280	State Funds	\$ 21,193	\$ 21,253	\$ 24,558
Federal Funds	4,106	4,912	4,540	Federal Funds	26,876	33,309	30,789
Augmentations	369	372	330	Augmentations	3,635	2,575	2,163
TOTAL	\$ 7,259	\$ 8,065	\$ 8,150	TOTAL	\$ 51,704	\$ 57,137	\$ 57,510
EBENSBURG				WESTERN			
State Funds	\$ 15,723	\$ 15,714	\$ 17,856	State Funds	\$ 12,777	\$ 12,797	\$ 11,531
Federal Funds	19,412	21,824	20,172	Federal Funds	14,943	15,340	13,366
Augmentations	1,562	1,606	1,369	Augmentations	1,098	1,172	892
TOTAL	\$ 36,697	\$ 39,144	\$ 39,397	TOTAL	\$ 28,818	\$ 29,309	\$ 25,789
EMBREEVILLE				WHITE HAVEN			
State Funds	\$ 9,814	\$ 9,829	\$ 7,992	State Funds	\$ 13,401	\$ 13,386	\$ 16,298
Federal Funds	9,778	10,681	9,047	Federal Funds	16,823	20,612	19,053
Augmentations	811	572	322	Augmentations	1,720	1,802	1,319
TOTAL	\$ 20,403	\$ 21,082	\$ 17,361	TOTAL	\$ 31,944	\$ 35,800	\$ 36,670
HAMBURG				MAYVIEW			
State Funds	\$ 11,536	\$ 11,525	\$ 13,492	MR UNIT			
Federal Funds	14,444	17,346	16,034	State Funds	\$ 1,543	\$ 1,542	\$ 1,712
Augmentations	1,213	1,364	979	Federal Funds	1,658	2,044	1,890
TOTAL	\$ 27,193	\$ 30,235	\$ 30,505	Augmentations	293	264	229
LAURELTON				TOTAL	\$ 3,494	\$ 3,850	3,831
State Funds	\$ 8,361	\$ 8,357	\$ 9,765	SOMERSET			
Federal Funds	10,262	11,458	10,591	MR UNIT			
Augmentations	685	632	565	State Funds	\$ 1,165	\$ 1,164	\$ 1,319
TOTAL	\$ 19,308	\$ 20,447	\$ 20,921	Federal Funds	1,575	1,991	1,840
POLK				Augmentations	206	212	187
State Funds	\$ 23,146	\$ 23,184	\$ 27,272	TOTAL	\$ 2,946	\$ 3,367	\$ 3,346
Federal Funds	28,884	33,717	31,166	TORRANCE			
Augmentations	2,727	3,099	2,365	MR UNIT			
TOTAL	\$ 54,757	\$ 60,000	\$ 60,803	State Funds	\$ 1,051	\$ 1,050	\$ 1,261
				Federal Funds	1,483	1,746	1,613
				Augmentations	182	202	165
				TOTAL	\$ 2,716	\$ 2,998	\$ 3,039

PUBLIC WELFARE

Program: Mental Retardation (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	State Centers for the Mentally Retarded		Pennhurst Dispersal
\$ -674	—nonrecurring project.	\$ -2,764	—program moved to Community Mental Retardation Services.
-5,000	—to reflect institutional right sizing.		
4,500	—to continue current program.		
11,500	—to replace a one-time cost settlement in 1994-95.		
3,428	—revision in Federal participation rate from 54.36% to 53.27%.	\$ -2,455	Intermediate Care Facilities — Mentally Retarded
<hr/>		4,629	—reduction for beds converted to the community MR waiver program.
\$ 13,754	<i>Appropriation Increase</i>	2,530	—to continue current program.
			—revision in Federal participation rate from 54.36% to 53.27%.
	Assistive Technology Loan Program	1,013	—to provide for 80% cost settlement payout.
\$ 750	—Initiative — Assistive Technology Loan Program. To establish a Statewide assistive technology loan program where individuals with disabilities and older Pennsylvanians will have opportunities to learn about, try and borrow assistive technology devices prior to making purchasing decisions.	673	—to develop 44 beds transferred from community program.
		275	—to annualize 11 beds developed in 1994-95.
		1,700	—to provide for minimum occupancy waiver payments.
		<hr/>	
		\$ 8,365	<i>Appropriation Increase</i>
	Community Mental Retardation Services		Early Intervention
\$ -1,000	—nonrecurring Philadelphia emergency services.	\$ -3,098	—to reflect increased services qualifying for Federal Medical Assistance.
6,794	—to continue current program.	1,002	—to continue current program.
3,238	—revision in Federal participation rate from 54.36% to 53.27%.	-1,725	—nonrecurring project.
2,764	—inclusion of the former Pennhurst Dispersal appropriation.	2,017	—to annualize 500 slots from the 1994-95 Improving Preschool Education PRR.
2,722	—to convert 84 ICF/MR slots to the community waiver program.	877	—to replace Federal Disability Grant funds.
6,397	—to annualize 256 institutional placements.	129	—revision in Federal participation rate from 54.36% to 53.27%.
1,140	—to annualize 35 Pennhurst placements.	1,428	—Initiative — Expansion of Early Intervention Services. To provide services for an additional 500 children from birth through age two.
1,094	—to annualize nursing home reform.	<hr/>	
6,258	—Initiative — Expansion of Community Mental Retardation Services. To provide community placements for 144 persons currently residing in State mental retardation centers and 34 persons inappropriately residing in nursing homes. Funds are also included to provide community placements for 124 persons on county waiting lists and specialized services to 180 persons remaining in nursing homes.	\$ 630	<i>Appropriation Increase</i>
235	—Initiative — Mental Retardation Training and Technical Assistance. To provide medication administration training for non-medically licensed staff in community programs and training for staff who work with people who have both mental retardation and mental illness.		
<hr/>			
\$ 29,642	<i>Appropriation Increase</i>		

Other appropriations in this subcategory are discontinued.

PUBLIC WELFARE

Program: Mental Retardation (continued)

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
State Centers for the Mentally Retarded	\$ 122,494	\$ 122,582	\$ 136,336	\$ 121,336	\$ 121,336	\$ 121,336	\$ 121,336
Community Mental Retardation Services	358,779	386,578	416,220	426,835	427,348	427,877	428,421
Statewide Assistive Technology Loan Program . . . . .	. . . . .	. . . . .	750	750	750	750	750
Pennhurst Dispersal . . . . .	. . . . .	2,764	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
MR Residential Services — Lansdowne . . . . .	. . . . .	201	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
Association for Retarded Citizens	100	100	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
Intermediate Care Facilities/Mentally Retarded	97,903	103,055	111,420	109,720	109,720	109,720	109,720
Early Intervention	31,157	34,458	35,088	36,602	36,690	36,781	36,874
TOTAL GENERAL FUND	\$ 610,433	\$ 649,738	\$ 699,814	\$ 695,243	\$ 695,844	\$ 696,464	\$ 697,101

PROGRAM OBJECTIVE: To enhance the social and economic well being of families and individuals through the provision of an array of services and support programs.

Program: Human Services

The department operates a variety of programs designed to provide supportive services to people while they overcome an adverse behavior or circumstance which has affected their lives.

Program Element: Youth Development Services

Pennsylvania's juvenile justice system is designed to minimize institutionalization while recognizing that confinement in a treatment environment is necessary for certain juveniles who pose a threat to themselves or others. The Youth Development Center and Youth Forestry Camp (YDC/YFC) System provides both open and secure residential programs for the treatment of Pennsylvania's serious juvenile offenders and those with special problems. The purpose of the YDC/YFC system is to bring about positive changes in the juveniles committed to its care by developing skills and attitudes which will enable them to become responsible, productive members of society.

The YDCs and YFCs across the Commonwealth have a total capacity of 759: 495 secure and 264 open residential beds. The secure care capacity includes a 30 bed drug and alcohol unit on the grounds of Danville State Hospital. Specialized treatment services have been developed in both open and secure programs. These services include programs for sex offenders, firesetters, drug and alcohol abusers, emotionally disturbed and mentally retarded youth.

Secure care programs are highly structured and exercise substantial control over individual student behavior. Open residential programs operate in a less structured atmosphere. They offer greater opportunity for individuals to make their own decisions under the guidance of program staff.

Residential	Projected July 1995 Capacity	July 1993 Population	July 1994 Population	Projected July 1995 Population	Projected July 1995 % of Capacity
Camp No. 2 . . .	49	49	49	49	100%
Camp No. 3 . . .	62	62	67	67	108%
Loysville	88	73	81	97	110%
New Castle . . .	65	75	82	82	126%
Total Residential Program	264	259	279	295	112%
Secure					
Loysville	222	147	169	249	112%
New Castle . . .	153	90	173	197	129%
Bensalem	120	84	120	120	100%
Total Secure Program	495	321	462	566	114%
TOTAL ALL PROGRAMS	759	580	741	661	113%

Treatment of youth within the YDCs/YFCs is guided by the Master Case Planning System. This system requires the comprehensive diagnosis and assessment of each youth in care, the development of an individualized treatment plan, implementation strategies, periodic reviews and revisions of each plan, and the identification of aftercare needs. Individual and group counseling form the core of the treatment process.

The YDCs/YFCs also emphasize programs and activities designed to break the cycle of dependency and prepare youth for their return to the community. Each program provides vocational training and ongoing education in daily living skills. Many YDCs/YFCs also provide actual job training and work experience opportunities, many of which are paid. Youth are encouraged and, in some cases, required to use a portion of their earnings for restitution.

Education is also a major component of the YDC/YFC system. Each program includes both academic and vocational curricula. Educational diagnostic testing precedes all academic placements and is utilized in the development of Individual Education Plans (IEPs) for each youth.

Program Element: Family Support Services

Providing services to children who are in need of care and protection is the joint responsibility of the Department of Public Welfare and county government. Each county is responsible for developing and administering a program of services designed to treat and prevent child abuse, neglect and exploitation, and to provide services which reduce dependency and delinquency. The County Children and Youth Program includes services to parents and children to enable children to remain in their own homes and communities, temporary placement services for children who cannot live with their own family, adoption services, assistance to provide a permanent legal family for any child who cannot be returned to his own family, and any service or care ordered by the court for children who have been adjudicated dependent or delinquent.

Special programs have been developed to support the delivery of services by county child welfare agencies. One program provides equalized access to adoption services for all eligible children through a Statewide adoption network. This includes services to children who are in foster placement and cannot be returned to their natural parents.

Program Element: Day Care

Subsidized day care is provided to low-income families who need child day care in order to work or to be trained in marketable job skills. The purpose of this subsidy is to encourage families to be self-supporting and self-sufficient. Revenue to support this program comes from Federal and State funds and parent fees.

Subsidized day care is limited to the purchase of day care services in day care centers, group homes and family day care homes which are licensed or registered by the Department of Public Welfare. To become licensed or registered, facilities and day care homes must meet health and safety standards developed by the department.

Local Management Agencies (LMAs) operate Statewide. The objectives of the LMA program are to increase parent choice for child care service, serve more children with the same amount of funding, allow more licensed/registered providers to participate in the State subsidized system, eliminate sole source contracts for day care services, and allow the Commonwealth to purchase services at the prevailing local rate.

Program Element: Family Planning and Breast Cancer Screening

Family planning services meet contraceptive needs or infertility problems through the provision of educational, medical and social services. Persons 16 years of age and over are served at 200 clinics in the State.

Breast cancer screening for low-income women is directed toward those at high risk of developing breast cancer. The target group is all new family planning clients, all women 35 years of age and older, and women with a family history of breast cancer.

Program: Human Services (continued)

Program Element: Services for the Visually Impaired

The department provides a full range of services to blind and visually impaired individuals.

The Vocational Rehabilitation Services Program includes the direct provision or purchase of services which assist persons who are blind or visually impaired to obtain and/or maintain gainful employment. This program includes the operation of the Business Enterprise Program which establishes, maintains and supervises small business facilities operated by people who are blind.

The Social Casework Services Program provides special activities to assist persons who are blind or visually impaired to adjust to blindness, to enable them to cope with the activities of daily living, and to allow them to function independently in the least costly manner within their family and community.

Rehabilitation teaching and orientation and mobility services provide instruction on the adaptive skills needed to function in the home, community and workplace.

Prevention of blindness activities are provided in 27 counties of the Commonwealth through contractual arrangements with private providers.

Program Element: Attendant Care

This service provides attendant care for adults ages 18-59 through a variety of program models. Personal care services such as dressing and grooming are those which a non-disabled person would do for himself. Service enables recipients to remain in or return to their own homes and maintain an independent lifestyle. Persons aged 60 and over receive attendant care through funding provided by the Department of Aging.

Program Element: Legal Services

In 1973, the Pennsylvania Legal Services Center was created as a private, nonprofit corporation to provide civil legal assistance for low-income persons with family, consumer, employment and other problems. The department contracts for a legal services program designed to provide low-income people with access to legal assistance in civil matters. The emphasis of the service delivery is providing emergency legal services in situations which threaten the basic needs of individuals. These services do not include political activities, services to organizations or services in criminal matters.

Program Element: Domestic Violence and Rape Crisis

Domestic violence services are provided through a contract with a Statewide coalition which, in turn, subcontracts for services at the local

level. The services to victims of domestic violence include: crisis intervention, counseling, victim advocacy, information and referral, and temporary shelter for victims and their dependent children. Prevention and education programs are provided by local groups to lessen the risk of domestic violence in the community at large.

Rape crisis services are provided through a contract with a Statewide coalition which, in turn, subcontracts for services at the local level. Rape crisis programs provide crisis intervention services, counseling, victim advocacy, information and referral, and accompaniment through police, medical and judicial systems. Prevention and educational programs are also provided to lessen the risk of sexual assault for adults and children in the community at large.

Program Element: Homeless Assistance

The Homeless Assistance Program provides temporary shelter to homeless individuals and rental assistance to those in immediate danger of becoming homeless. Shelter may be provided in large mass shelters or in hotels and motels through a voucher system.

Housing assistance is a cash payment to an individual or family to prevent or end homelessness. Housing assistance can include assistance to prevent homelessness by intervening in cases where an eviction is imminent. In addition to preventing homelessness, housing assistance is available to move people out of temporary shelters into permanent housing.

Case management services are provided to assure ongoing coordination with the client. This assists the client with activities needed for self sufficient living.

Specialized residences for the mentally ill homeless are being provided in a small number of counties with concentrations of mentally ill homeless individuals. The program provides housing for mentally ill homeless people for an indefinite period of time, coupled with supportive services that will enable the client to move to a long-term semi-independent or independent living situation.

Program Element: Services to the Developmentally Disabled

This program provides services to persons with cerebral palsy and other impairments (excluding mental illness) which affect general mental and physical functioning. Persons who are developmentally disabled have limitations in the areas of self-care, understanding and/or use of language, learning, mobility, self-direction and capacity for independent living. These individuals had been receiving services in a nursing home environment; however, Federal nursing home reform legislation requires that services be provided at the most appropriate level and location.

PUBLIC WELFARE

Program: Human Services (continued)

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Services for the Visually Impaired							
Persons who are blind or visually impaired	11,976	12,500	13,000	13,000	13,000	13,000	13,000
Persons who are blind or visually impaired placed in employment	372	380	390	400	410	410	410
Youth Development Centers							
YDC — youths served	1,797	1,989	2,039	2,039	2,039	2,039	2,039
YDC — occupancy rates	115%	113%	110%	110%	110%	110%	110%
YDC — youths in work experience	448	448	448	448	448	448	448
Family Support Services							
Children receiving child welfare services at home	128,500	136,000	141,700	145,100	150,000	154,000	158,000
Out-of-home placement in:							
Community residential programs	17,300	18,277	19,062	19,500	19,900	20,500	20,900
Institutional care programs	4,920	5,217	4,631	4,600	4,600	4,500	4,500
Agency arranged adoptions	750	825	950	950	825	825	800
Children waiting for adoption	1,278	1,300	1,200	1,200	1,250	1,250	1,250
Children receiving day care	47,231	50,000	54,510	54,510	54,510	54,510	54,510
Percent of child abuse reports substantiated	35%	35%	35%	35%	35%	35%	35%
Domestic Violence and Rape Crisis							
Domestic violence persons served	50,377	46,420	46,420	46,420	46,420	46,420	46,420
Rape crisis/sexual assault persons served	14,095	14,211	14,500	14,500	14,500	14,500	14,500
Breast cancer screening clients	133,886	109,519	106,250	106,250	106,250	106,250	106,250
Legal service clients	39,493	23,294	37,300	37,300	37,300	37,300	37,300
Attendant care persons served	2,025	2,125	2,125	2,125	2,125	2,125	2,125
Persons with Developmental Disabilities Served in:							
Nursing facilities	994	1,114	1,234	1,354	1,474	1,594	1,714
The community	80	204	204	204	204	204	204
Homeless Assistance							
Homeless:							
Persons served in shelters	26,991	57,757	26,991	26,991	26,991	26,991	26,991
Persons served by bridge housing	10,459	10,777	10,459	10,459	10,459	10,459	10,459
Persons receiving housing assistance	31,412	37,666	31,412	31,412	31,412	31,412	31,412
Persons receiving case management	18,371	23,560	18,371	18,371	18,371	18,371	18,371
Families receiving permanent housing	567	669	567	567	567	567	567

The YDC youth served and the occupancy rates have increased above estimates shown in last year's budget because of the unanticipated influx of youth committed to the system by the courts.

Out-of-home placements decreased due to funding of in-home services reducing the need for out-of-home placements.

Domestic violence providers were able to serve more clients than anticipated in 1993-94 due to a decrease in the types and quantities of services required. For 1994-95 and beyond, measures reflect the minimum number of clients that must be served.

The measure for rape crisis/sexual assault persons served decreased as a result of a reduction in volunteer efforts and subsequent reduction in hours of operation at rape crisis centers.

The measure for breast cancer screening clients increased due to more State and Federal funds being available than anticipated. The 1994-95 estimate is based on an \$8.00 per screen reimbursement rate.

The decrease in legal services clients in 1994-95 is the result of elimination of State funding.

The 1994-95 numbers for Homeless Assistance reflect the inclusion of a one-time \$5 million Emergency Shelters Appropriation.

Homeless Assistance persons served in shelters has increased from the estimate shown in last year's budget due to additional Federal Emergency Assistance funds.

Homeless Assistance persons served by bridge housing has increased from the estimate shown in last year's budget because the measure now includes services formerly supported by PENNFREE funds.

PUBLIC WELFARE

Program: Human Services (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Services for the Visually Impaired</p> <p>\$ 167 —to continue current program.</p> <p>Youth Development Centers</p> <p>\$ -2,500 —to reflect increase in Federal funds.</p> <p>3,410 —to continue current program.</p> <p>-1,342 —nonrecurring projects.</p> <p>4,376 —to annualize cost for 1994-95 expansion at Torrance, Loysville and New Castle.</p> <p>1,039 —to annualize cost for reentry programs at Loysville, Danville, Weaversville and Allentown.</p> <p>875 —PRR — Strengthening Crime Fighting Efforts. This Program Revision provides for operation of additional YDC secure facilities. See the Program Revision following the Institutionalization of Offenders subcategory in the Department of Corrections.</p> <hr style="width: 10%; margin-left: 0;"/> <p>\$ 5,858 <i>Appropriation Increase</i></p> <p>Support Services for Children</p> <p>\$ -200 —nonrecurring project.</p> <p>Low Income Summer Programs</p> <p>\$ -125 —nonrecurring project.</p> <p>Residence for the Blind</p> <p>\$ -100 —nonrecurring project.</p> <p>County Child Welfare</p> <p>\$ 58,450 —to provide for needs-based budget.</p> <p>7,178 —to provide a mandated cost-of-living increase.</p> <p>2,049 —to replace nonrecurring county reimbursements for Youth Development Centers.</p> <p>-3,491 —to provide for Castille settlement placements.</p> <p>-8,613 —to reflect special needs grants now included in needs-based.</p> <p>-2,000 —nonrecurring administrative support for the emergency assistance funding initiative.</p> <p>2,080 —to annualize personal care services for children in foster care.</p> <p>-42,000 —to reflect retroactive emergency assistance funding.</p> <p>-61,000 —to annualize Federal emergency assistance support.</p> <p>779 —Initiative — Adoption and Foster Care Analysis and Reporting System. To implement a comprehensive automated child welfare system which will maintain client-specific information on children in out-of-home placement.</p> <p>1,750 —Initiative — Child Welfare Reform. To implement the amendments to the Child Protective Services Law which require investigations where there is imminent risk of serious injury or sexual abuse and investigations of student abuse by school employees.</p> <hr style="width: 10%; margin-left: 0;"/> <p>\$ -44,818 <i>Appropriation Decrease</i></p>	<p>Day Care Services</p> <p>\$ 742 —to continue current program.</p> <p>5,000 —PRR — Strengthening Individual and Family Independence. This Program Revision will increase the number of subsidized child day care slots by over 3,100. See the Program Revision in the Income Maintenance subcategory for further information.</p> <hr style="width: 10%; margin-left: 0;"/> <p>\$ 5,742 <i>Appropriation Increase</i></p> <p>Arsenal Family and Children's Center</p> <p>\$ -50 —nonrecurring project.</p> <p>Domestic Violence</p> <p>\$ 158 —to continue current program.</p> <p>Rape Crisis</p> <p>\$ 67 —to continue current program.</p> <p>Breast Cancer Screening</p> <p>\$ 17 —to continue current program.</p> <p>Legal Services</p> <p>\$ 2,000 —to resume State funded legal services.</p> <p>Emergency Homeless Shelters</p> <p>\$ -5,000 —nonrecurring project.</p> <p>Homeless Assistance</p> <p>\$ 326 —to continue current program.</p> <p>Services to the Developmentally Disabled</p> <p>\$ 1,286 —to annualize 1994-95 initiative.</p> <p>102 —revision in Federal participation rates.</p> <p>152 —to continue current program.</p> <p>583 —Initiative — Services for the Developmentally Disabled. To provide specialized services to 284 persons residing in nursing homes and full or partial assessments for 95 individuals.</p> <hr style="width: 10%; margin-left: 0;"/> <p>\$ 2,123 <i>Appropriation Increase</i></p> <p>Attendant Care</p> <p>\$ 578 —to annualize 1994-95 initiative.</p> <p>282 —to continue current program.</p> <hr style="width: 10%; margin-left: 0;"/> <p>\$ 860 <i>Appropriation Increase</i></p>
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All other appropriations in this subcategory are unchanged.

PUBLIC WELFARE

Program: Human Services (continued)

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Services for the Visually Impaired	\$ 6,907	\$ 7,223	\$ 7,390	\$ 7,693	\$ 7,955	\$ 8,257	\$ 8,579
Youth Development Institutions	46,900	52,650	58,508	65,803	68,803	72,134	74,750
Beacon Lodge Camp — Blind Services ..	124	124	124	124	124	124	124
Residence for the Blind		100					
Low Income Summer Programs	125	125					
Support Services for Children	140	200					
County Child Welfare	334,798	309,561	264,743	306,887	306,151	306,147	306,207
Day Care Services	36,929	37,085	42,827	48,127	48,436	48,754	49,082
Arsenal Family and Children's Center ...	212	212	162	162	162	162	162
Domestic Violence	7,298	7,892	8,050	8,050	8,050	8,050	8,050
Rape Crisis	3,240	3,337	3,404	3,404	3,404	3,404	3,404
Breast Cancer Screening	825	850	867	867	867	867	867
Legal Services	2,500		2,000	2,000	2,000	2,000	2,000
Human Services Development Fund	34,000	34,000	34,000	34,000	34,000	34,000	34,000
Emergency Homeless Shelters		5,000					
Homeless Assistance	16,000	16,320	16,646	16,646	16,646	16,646	16,646
Services to the Developmentally Disabled	3,122	5,632	7,755	7,772	7,791	7,809	7,828
Attendant Care	11,628	13,381	14,241	14,241	14,241	14,241	14,241
TOTAL GENERAL FUND	\$ 504,748	\$ 493,692	\$ 460,717	\$ 515,776	\$ 518,630	\$ 522,595	\$ 525,940



Commonwealth of Pennsylvania

Department of Revenue

The Department of Revenue collects all tax levies as well as various fees, fines and other monies due the Commonwealth. The department also supervises the administration and collection of monies for the first and second class county sales tax and various special funds.

The department prepares the official estimates of the tax yield due the Commonwealth and analyzes the effect on revenues of proposed changes in either the laws or the tax structure of the Commonwealth.

The department also administers the State Lottery and the Lottery funded Property Tax and Rent Rebate Program.

REVENUE

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 89,456 *	\$ 96,612 *	\$ 106,361
(A) Cigarette Fines and Penalties	15	15	15
(A) Cigarette Tax Enforcement	727	550	560
(A) Services to Special Funds	5,136	6,220	6,244
(A) EDP and Staff Support	3,947	4,113	4,353
(A) Tax Information	134	134	134
(A) Local Sales Tax	837	4,927	5,631
(A) Small Games of Chance	241	240	240
Total — General Government Operations	\$ 100,493	\$ 112,811	\$ 123,538
Commissions — Inheritance and Realty (EA)	5,437	5,358	5,212
Computer Acquisitions	1,698	1,698	1,698
(A) Special Fund Charges	298	299	299
Subtotal — State Funds	\$ 96,591	\$ 103,668	\$ 113,271
Subtotal — Augmentations	11,335	16,498	17,476
Total — General Government	\$ 107,926	\$ 120,166	\$ 130,747
GRANTS AND SUBSIDIES:			
Distribution of Public Utility Realty Tax	\$ 147,714	\$ 153,000	\$ 155,100
STATE FUNDS	\$ 244,305	\$ 256,668	\$ 268,371
AUGMENTATIONS	11,335	16,498	17,476
GENERAL FUND TOTAL	\$ 255,640	\$ 273,166	\$ 285,847
MOTOR LICENSE FUND			
GENERAL GOVERNMENT:			
Collections — Liquid Fuels Tax	\$ 7,902	\$ 8,959	\$ 9,042
(A) Fuel Tax Enforcement	33	50	50
(A) International Fuel Tax Agreement	46	77	77
Refunding Liquid Fuels Tax (EA)	8,300	8,300	12,500
STATE FUNDS	\$ 16,202	\$ 17,259	\$ 21,542
AUGMENTATIONS	79	127	127
MOTOR LICENSE FUND TOTAL	\$ 16,281	\$ 17,386	\$ 21,669
LOTTERY FUND			
GENERAL GOVERNMENT:			
General Operations (EA)	\$ 52,537	\$ 61,820	\$ 61,566
(A) License Fees	226	111	111
(A) Telephone Lines	3,624	3,931	4,033
(A) Lotto Numbers Publication .....	.....	1	1
Total — General Operations	\$ 56,387	\$ 65,863	\$ 65,711
On-Line Vendor Commissions (EA)	22,833	22,707	23,039
Personal Income Tax for Lottery Prizes (EA)	22,557	22,460	22,689
Payment of Prize Money (EA)	175,216	178,813	180,637
Subtotal — State Funds	\$ 273,143	\$ 285,800	\$ 287,931
Subtotal — Augmentations	3,850	4,043	4,145
Total — General Government	\$ 276,993	\$ 289,843	\$ 292,076

* Excludes \$16,000 for discontinued interagency billing.

REVENUE

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
<u>LOTTERY FUND</u>			
<i>GRANTS AND SUBSIDIES:</i>			
Property Tax and Rent Assistance for Older Pennsylvanians (EA)	\$ 102,600	\$ 100,000	\$ 99,000
STATE FUNDS	\$ 375,743	\$ 385,800	\$ 386,931
AUGMENTATIONS	3,850	4,043	4,145
LOTTERY FUND TOTAL	\$ 379,593	\$ 389,843	\$ 391,076
<u>RACING FUND</u>			
<i>GENERAL GOVERNMENT:</i>			
Collections — Racing (EA)	\$ 159	\$ 163	\$ 167
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 244,305	\$ 256,668	\$ 268,371
SPECIAL FUNDS	392,104	403,222	408,640
AUGMENTATIONS	15,264	20,668	21,748
TOTAL ALL FUNDS	\$ 651,673	\$ 680,558	\$ 698,759

REVENUE

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
REVENUE COLLECTION AND ADMINISTRATION							
General Funds.....	\$ 96,591	\$ 103,668	\$ 113,271	\$ 116,066	\$ 117,944	\$ 122,426	\$ 127,201
Special Funds.....	289,504	303,222	309,640	314,106	318,203	322,720	327,454
Federal Funds.....	0	0	0	0	0	0	0
Other Funds.....	15,264	20,668	21,748	22,328	23,089	23,966	24,900
TOTAL.....	\$ 401,359	\$ 427,558	\$ 444,659	\$ 452,500	\$ 459,236	\$ 469,112	\$ 479,555
COMMUNITY DEVELOPMENT AND PRESERVATION							
General Funds.....	\$ 147,714	\$ 153,000	\$ 155,100	\$ 155,100	\$ 155,100	\$ 155,100	\$ 155,100
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
TOTAL.....	\$ 147,714	\$ 153,000	\$ 155,100	\$ 155,100	\$ 155,100	\$ 155,100	\$ 155,100
HOMEOWNERS AND RENTERS ASSISTANCE							
General Funds.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Special Funds.....	102,600	100,000	99,000	98,000	97,000	96,000	95,000
Federal Funds.....	0	0	0	0	0	0	0
Other Funds.....	0	0	0	0	0	0	0
TOTAL.....	\$ 102,600	\$ 100,000	\$ 99,000	\$ 98,000	\$ 97,000	\$ 96,000	\$ 95,000
ALL PROGRAMS:							
GENERAL FUND.....	\$ 244,305	\$ 256,668	\$ 268,371	\$ 271,166	\$ 273,044	\$ 277,526	\$ 282,301
SPECIAL FUNDS.....	392,104	403,222	408,640	412,106	415,203	418,720	422,454
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	15,264	20,668	21,748	22,328	23,089	23,966	24,900
TOTAL.....	\$ 651,673	\$ 680,558	\$ 698,759	\$ 705,600	\$ 711,336	\$ 720,212	\$ 729,655

PROGRAM OBJECTIVE: To assure the availability of resources for the Commonwealth's programs through the equitable and efficient administration of Pennsylvania's revenue system.

Program: Revenue Collection and Administration

This program administers the Commonwealth's revenue statutes by assessing and collecting various taxes. Major revenue sources for the General Fund include corporation, personal income, inheritance, sales and use, cigarette and beverage and realty transfer taxes. Tax revenue is also collected from the first and second class county sales tax and for the Motor License and Racing Funds.

The department has extensively automated procedures thereby permitting staff to quickly deposit funds and review and make a rapid determination of the tax return's accuracy. This has permitted the department to keep the cost of collection under \$.90 for every \$100 collected.

To insure fairness in tax administration, the department audits and cross checks tax returns to detect fraud and non-filers. In addition, there is extensive delinquent tax collection effort that involves automation as well as traditional tax collection methods.

This program is also responsible for the administration of the State Lottery. Through a network of private retailers, the Commonwealth sells lottery tickets, the proceeds of which support programs for older Pennsylvanians.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Lottery Bureau operating costs as a percent of ticket sales	3.03%	3.18%	3.29%	3.36%	3.44%	3.52%	3.60%
Collections from delinquent accounts (in millions)	\$539	\$550	\$578	\$607	\$637	\$669	\$702
Amounts due as a result of audit assessments (in millions)	\$176	\$183	\$192	\$201	\$210	\$219	\$228
Tax returns processed (in thousands)							
Personal Income	5,596	5,599	5,604	5,609	5,615	5,622	5,627
Corporation	260	280	270	250	250	250	250
Average settlement time for corporation tax documents (in months)	NA	NA	NA	NA	NA	NA	NA
Oldest unsettled corporation tax report on hand (in months)	8	6	6	6	6	6	6

Amounts due as a result of audit assessments is higher than the estimate shown in last year's budget because production from corporation taxes was higher than anticipated.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND:		MOTOR LICENSE FUND:	
General Government Operations		Collections — Liquid Fuels Tax	
\$ -850	—nonrecurring costs.	\$ -838	—nonrecurring costs.
1,684	—for automated technology equipment and master lease payments.	616	—to implement the International Fuels Tax Agreement to ensure proper collection and distribution of fuels tax between member states.
139	—for increased enforcement and appeals.		—to continue current program.
6,776	—to continue current programs.	305	
2,000	—Initiative — Tax Modernization Program. To add all State business taxes, including corporate and employee withholding taxes and State and local sales taxes, to the integrated tax system being developed.	\$ 83	<i>Appropriation Increase</i>
		\$ 4,200	Refunding — Liquid Fuels Tax
\$ 9,749	<i>Appropriation Increase</i>		—to refund existing credits to all non-Pennsylvania based motor centers.
Commissions — Inheritance and Realty Transfer Tax Collections			
\$ -146	—computed cost based on tax estimate.		

REVENUE

Program: Revenue Collection and Administration (continued)

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>LOTTERY FUND: General Operations</p> <p>\$ -4,788 —nonrecurring costs. 1,844 —for an additional 350 instant ticket vending machines. 1,414 —to increase instant ticket sales. 347 —maintenance costs on instant ticket vending machines. 929 —to continue current program. \$ -254 <i>Appropriation Decrease</i></p>	<p style="text-align: right;">\$ 332</p> <p>On-line Vendor Commissions —cost based on Lottery sales estimate.</p> <p style="text-align: right;">\$ 229</p> <p>Personal Income Tax for Lottery Prizes —cost based on Lottery sales estimate.</p> <p style="text-align: right;">\$ 1,824</p> <p>Payment of Prize Money —cost based on Lottery sales estimate.</p> <p>RACING FUND: Collections — Racing —to continue current program.</p> <p style="text-align: right;">\$ 4</p>
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Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
General Government Operations	\$ 89,456	\$ 96,612	\$ 106,361	\$ 110,640	\$ 112,334	\$ 116,603	\$ 121,151
Commissions — Inheritance and Realty							
Transfer Tax Collections	5,437	5,358	5,212	5,426	5,610	5,823	6,050
Computer Acquisition	1,698	1,698	1,698	.....	.....	.....	.....
TOTAL GENERAL FUND	\$ 96,591	\$ 103,668	\$ 113,271	\$ 116,066	\$ 117,944	\$ 122,426	\$ 127,201
MOTOR LICENSE FUND:							
Collections — Liquid Fuels Tax	\$ 7,902	\$ 8,959	\$ 9,042	\$ 9,413	\$ 9,733	\$ 10,103	\$ 10,497
Refunding Liquid Fuels Tax	8,300	8,300	12,500	12,500	12,500	12,500	12,500
TOTAL MOTOR LICENSE FUND	\$ 16,202	\$ 17,259	\$ 21,542	\$ 21,913	\$ 22,233	\$ 22,603	\$ 22,997
LOTTERY FUND:							
General Operations	\$ 52,537	\$ 61,820	\$ 61,566	\$ 64,090	\$ 66,269	\$ 68,787	\$ 71,470
On-line Vendor Commissions	22,833	22,707	23,039	23,252	23,469	23,689	23,912
Personal Income Tax for Lottery Prizes ..	22,557	22,460	22,689	22,840	22,993	23,150	23,309
Payment of Prize Money	175,216	178,813	180,637	181,837	183,059	184,304	185,572
TOTAL LOTTERY FUND	\$ 273,143	\$ 285,800	\$ 287,931	\$ 292,019	\$ 295,790	\$ 299,930	\$ 304,263
RACING FUND:							
Collections — Racing	\$ 159	\$ 163	\$ 167	\$ 174	\$ 180	\$ 187	\$ 194

REVENUE

PROGRAM OBJECTIVE: To equitably distribute the public utility realty tax to all reporting local taxing authorities.

Program: Community Development and Preservation

A 1968 amendment to the State Constitution exempted public utilities from locally administered property taxes and authorized the collection of a similar Statewide tax. The proceeds of the tax are distributed to each local taxing authority thereby providing local revenue while insuring fair treatment for utilities.

The distribution is based on the ratio between the total tax receipts of a local taxing authority and the total tax receipts of all reporting tax authorities. This ratio is then applied to the total amount of taxes that reporting authorities could have collected had they been able to directly tax public utility realty.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Taxing authorities receiving funds	3,056	3,070	3,075	3,075	3,075	3,075	3,075

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Public Utility Realty Tax Distribution	
\$ 4,293	—increased cost based on projected tax increases.
-2,193	—reduction in 1994-95 base due to lower than anticipated inflation.
\$ 2,100	<i>Appropriation Increase</i>

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Public Utility Realty Tax Distribution	<u>\$ 147,714</u>	<u>\$ 153,000</u>	<u>\$ 155,100</u>	<u>\$ 155,100</u>	<u>\$ 155,100</u>	<u>\$ 155,100</u>	<u>\$ 155,100</u>

REVENUE

PROGRAM OBJECTIVE: To increase economic stability by assisting eligible Pennsylvania citizens maintain their home.

Program: Homeowners and Renters Assistance

Property tax and rent rebates allow older Pennsylvanians, surviving spouses over 50 and permanently disabled citizens to lead fuller lives by restoring a portion of their limited income. The assistance declines

from a maximum benefit of 100 percent of the tax or \$500 for household incomes under \$5,000. Act 53 of 1985 set the income ceiling for program eligibility at \$15,000.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Households provided property tax or rent assistance	390,847	380,099	370,596	361,331	352,298	343,491	334,903

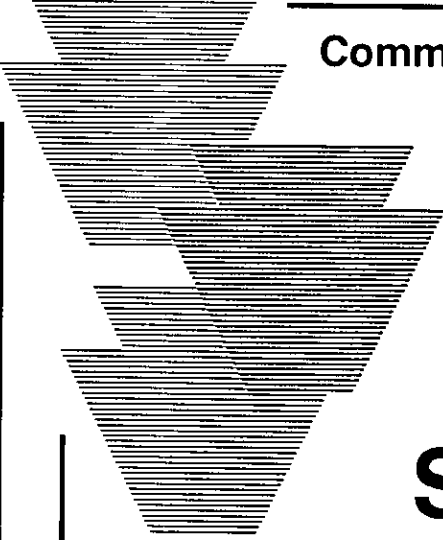
Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Property Tax and Rent Assistance for Older Pennsylvanians
 \$ -1,000 —to continue current program within current income guidelines.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
LOTTERY FUND:							
Property Tax and Rent Assistance for Older Pennsylvanians	<u>\$ 102,600</u>	<u>\$ 100,000</u>	<u>\$ 99,000</u>	<u>\$ 98,000</u>	<u>\$ 97,000</u>	<u>\$ 96,000</u>	<u>\$ 95,000</u>



Commonwealth of Pennsylvania

Securities Commission

The Securities Commission oversees the State controlled securities industry to ensure compliance with Commonwealth statutes.

SECURITIES COMMISSION

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
<u>GENERAL FUND</u>			
GENERAL GOVERNMENT:			
General Government Operations	\$ 2,277	\$ 2,353	\$ 2,223
(A) Consumer Protection	1,951	2,215	2,246
STATE FUNDS	\$ 2,277	\$ 2,353	\$ 2,223
AUGMENTATIONS	1,951	2,215	2,246
GENERAL FUND TOTAL	\$ 4,228	\$ 4,568	\$ 4,469

SECURITIES COMMISSION

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
SECURITIES INDUSTRY REGULATION							
General Funds.....	\$ 2,277	\$ 2,353	\$ 2,223	\$ 2,314	\$ 2,393	\$ 2,484	\$ 2,581
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	0	0	0	0	0	0	0
Other Funds.....	1,951	2,215	2,246	2,338	2,417	2,509	2,607
TOTAL.....	\$ 4,228	\$ 4,568	\$ 4,469	\$ 4,652	\$ 4,810	\$ 4,993	\$ 5,188
ALL PROGRAMS:							
GENERAL FUND.....	\$ 2,277	\$ 2,353	\$ 2,223	\$ 2,314	\$ 2,393	\$ 2,484	\$ 2,581
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	1,951	2,215	2,246	2,338	2,417	2,509	2,607
TOTAL.....	\$ 4,228	\$ 4,568	\$ 4,469	\$ 4,652	\$ 4,810	\$ 4,993	\$ 5,188

SECURITIES COMMISSION

PROGRAM OBJECTIVE: To reduce fraud and to protect public investors involved in securities transactions as well as to facilitate legitimate capital formation in the State.

Program: Securities Industry Regulation

The primary function of the Pennsylvania Securities Commission is to encourage the financing of legitimate business and industry in the Commonwealth while protecting the investing public from fraudulent and unfair practices in the securities industry.

The commission protects the investing public through the registration and regulation of salespersons and companies dealing in securities, issues orders to persons and corporations attempting to sell securities without approval, and seeks prosecution of violators of the Pennsylvania Securities Act.

It also works with other State, Federal and independent regulatory agencies and the various stock exchanges to develop uniform filing requirements that alleviate the burden on the securities industry by eliminating duplicative examination and registration requirements involved in complying with various State and Federal filing procedures. Act 4 of 1993 and Act 126 of 1994 provided for additional fees to support compliance and enforcement activities as well as ongoing operations of the commission.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Formal investigations conducted	223	240	260	270	290	310	320
Dollar amounts of securities cleared for sale (billions)	\$ 25,659	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Securities filings received	4,734	4,800	4,800	4,800	4,800	4,800	4,800
Securities filings cleared	4,090	4,000	4,000	4,000	4,000	4,000	4,000
Broker-dealers registered	1,997	2,087	2,191	2,301	2,416	2,537	2,663
Agents registered	86,867	93,000	97,000	101,000	105,000	109,000	113,000
Investment advisers registered	741	850	939	1,080	1,231	1,382	1,533
Associated persons registered	2,993	3,375	3,881	4,463	5,132	5,902	6,782

The increase in the program measure for dollar amounts of securities cleared for sale from estimates in last year's budget is due to the fluctuation in the amounts of Mutual Funds registered in any year by investment companies.


Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations
 \$ -130 -to continue current program.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
General Government Operations	<u>\$ 2,277</u>	<u>\$ 2,353</u>	<u>\$ 2,223</u>	<u>\$ 2,314</u>	<u>\$ 2,393</u>	<u>\$ 2,484</u>	<u>\$ 2,581</u>



Commonwealth of Pennsylvania

Department of State

The Department of State compiles, publishes and certifies all election ballots and returns; monitors campaign expense reports; issues all commissions to elected and appointed officials; records all laws passed by the General Assembly and proclamations issued by the Governor; administers corporate and selected noncorporate business laws; administers the professional and occupational licensing boards; and regulates solicitation activities, boxing and wrestling matches.

The Department of State is administered by the Secretary of the Commonwealth and includes the State Athletic Commission, the Bureau on Charitable Organizations, the Corporation Bureau and 27 professional and occupational licensing boards.

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 1,024 ^a	\$ 1,356 ^a	\$ 1,346
(A) Professional Licensure Augmentation Account .....	..... ^b	..... ^b	..... ^b
(A) Registration of Charitable Organizations	691	650	650
(R) Professional Licensure Augmentation Account ^c	13,915	14,801	15,223
(R) Medical Fees ^c	1,983	2,196	2,348
(R) Osteopathic Fees ^c	398	444	482
(R) Podiatry Fees ^c	128	139	149
(R) State Athletic Commission	235	262	213
(R) Athletic Commission Augmentation Account .....	..... ^d	..... ^d	..... ^d
(R) Corporation Bureau ^e .....	..... ^f	..... ^f	..... ^f
(R) Corporation Bureau (EA)	2,643	2,435	2,859
Voter Registration .....	.....	500	800
Total — General Government Operations	<u>\$ 21,017</u>	<u>\$ 22,783</u>	<u>\$ 24,070</u>
Publishing Constitutional Amendments (EA)	\$ 4	\$ 263	\$ 60
Subtotal — State Funds	\$ 1,028	\$ 2,119	\$ 2,206
Subtotal — Augmentations	691	650	650
Subtotal — Restricted Revenue	19,302	20,277	21,274
Total — General Government	<u>\$ 21,021</u>	<u>\$ 23,046</u>	<u>\$ 24,130</u>
GRANTS AND SUBSIDIES:			
Voting of Citizens in Military Service	\$ 8	\$ 8	\$ 8
Voter Registration by Mail	400	400	400
County Election Expenses	121	.....	.....
Total — Grants and Subsidies	<u>\$ 529</u>	<u>\$ 408</u>	<u>\$ 408</u>
STATE FUNDS	\$ 1,557	\$ 2,527	\$ 2,614
AUGMENTATIONS	691	650	650
RESTRICTED REVENUES	19,302	20,277	21,274
GENERAL FUND TOTAL	<u><u>\$ 21,550</u></u>	<u><u>\$ 23,454</u></u>	<u><u>\$ 24,538</u></u>
OTHER FUNDS			
REAL ESTATE RECOVERY FUND:			
Real Estate Recovery Payments	\$ 375	\$ 150	\$ 150
OTHER FUNDS TOTAL	<u><u>\$ 375</u></u>	<u><u>\$ 150</u></u>	<u><u>\$ 150</u></u>
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 1,557	\$ 2,527	\$ 2,614
AUGMENTATIONS	691	650	650
RESTRICTED REVENUES	19,302	20,277	21,274
OTHER FUNDS	375	150	150
TOTAL ALL FUNDS	<u><u>\$ 21,925</u></u>	<u><u>\$ 23,604</u></u>	<u><u>\$ 24,688</u></u>

^a Excludes \$19,000 for discontinued interagency billing.

^b Amounts not shown to avoid double counting: 1993-94 Actual is \$923,000; 1994-95 Available is \$1,485,000; 1995-96 Budget is \$1,580,000.

^c Appropriation from restricted revenue accounts.

^d Amounts not shown to avoid double counting: 1993-94 Actual is \$43,000; 1994-95 Available is \$45,000; 1995-96 Budget is \$47,000.

^e Act 198 of 1990 authorized establishment of a restricted account for the Corporation Bureau from which the Governor may executively authorize funds.

^f Amounts not shown to avoid double counting: 1993-94 Actual is \$497,000; 1994-95 Available is \$577,000; 1995-96 Budget is \$608,000.

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
CONSUMER PROTECTION							
General Funds.....	\$ 1,557	\$ 2,527	\$ 2,614	\$ 2,610	\$ 2,578	\$ 2,566	\$ 2,660
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	0	0	0	0	0	0	0
Other Funds.....	20,368	21,077	22,074	22,973	23,749	24,647	25,601
TOTAL.....	\$ 21,925	\$ 23,604	\$ 24,688	\$ 25,583	\$ 26,327	\$ 27,213	\$ 28,261
ALL PROGRAMS:							
GENERAL FUND.....	\$ 1,557	\$ 2,527	\$ 2,614	\$ 2,610	\$ 2,578	\$ 2,566	\$ 2,660
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	20,368	21,077	22,074	22,973	23,749	24,647	25,601
TOTAL.....	\$ 21,925	\$ 23,604	\$ 24,688	\$ 25,583	\$ 26,327	\$ 27,213	\$ 28,261

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

Public policy is formulated by citizens through electoral participation. Because the electoral process is the basic public policymaking mechanism, it is important to insure that this process conforms to legally defined specifications. Abuse of the electoral process causes decline in voter participation.

Efforts in this program are keyed towards ensuring efficiency, honesty and uniformity in the administration of the Election Code. Some of the more serious problems within the election system have included: burdensome registration and voting procedures; the lack of easily obtainable published information concerning the State's electoral process; instances of unfair and unjust administration of election processes; and a pervading lack of consistency in activities at all levels of election administration.

The National Voter Registration Act was signed into law on May 20, 1993. This Federal law mandated that the states implement a variety of voter registration reforms by January 1, 1995, including intergrating voter registration into driver's license applications, offering agency based registration as well as mail-in registration, and revised criteria for removal from voter rolls.

Other functions in this program include commissioning gubernatorial appointees to boards and commissions, and preparing commissions for judges, justices of the peace and notaries public. In addition, extraditions are prepared for the Governor and bond issues for the Commonwealth are processed. Finally, a record of all legislation passed by the General Assembly is maintained by docketing the bills and assigning act numbers.

Program Element: Protection of Professional Licensing

The focus of this program element is on assuring acceptable professional and technical services to the Commonwealth's residents. To accomplish this, twenty-seven boards of the Bureau of Professional and Occupational Affairs (BPOA) utilize licensing, enforcement and administrative powers to regulate and service the various professions.

Mechanisms utilized in controlling the quality of practitioners include regulating age, education, experience and degree of technical expertise demonstrated through applications and subsequent written examination and/or demonstrated practical ability. Requirements for continuing education also serve as a means of meeting the constantly changing developments in the various professions and occupations.

Act 124 of 1978 created a restricted Professional Licensure Augmentation Account (PLAA) enabling this program to be funded from fees and fines collected by the Bureau of Professional and Occupational Affairs. Thus, the bureau operates entirely out of restricted funds, considered for budgetary purposes as "Other" funds, rather than from a General Fund appropriation.

After experience with the PLAA concept and the current exposure to the sunset review process, it has been determined that each individual board must take steps to equalize revenues with expenditures over each two year period by adjusting license fees where required. The methodology to accomplish this task is in place and fee adjustment packages are being submitted according to schedule.

Program Element: Regulation of Consumer Products and Promotion of Fair Business Practices

This program element encompasses the activities of the Corporation Bureau, the Bureau on Charitable Organizations and the State Athletic Commission.

The Corporation Bureau is responsible for registering all businesses in the Commonwealth, which currently has an estimated 3,000,000 profit and nonprofit corporations, uniform commercial code financial statements and fictitious name registrations. An important goal is to promote a more favorable atmosphere for commerce to enter Pennsylvania.

Act 198 of 1990 made the Corporation Bureau a restricted account with funding levels to be executively authorized by the Governor.

The Bureau on Charitable Organizations is responsible for the registration of charitable organizations, professional fund raisers and solicitors, as well as regulation of the actual solicitation and distribution of collected funds. There are currently approximately 5,700 registrations of charitable organizations. The major objective of the bureau is to increase the awareness and understanding of the Charitable Solicitations Act among Pennsylvania consumers and charitable organizations.

The State Athletic Commission monitors and regulates all professional and amateur boxing and kickboxing, amateur wrestling contests, and the licensing of all persons who participate in these events. There are eleven categories of licenses issued by the Athletic Commission. These categories include announcer, boxer, judge, manager, matchmaker, physician, promoter (including those promoting professional wrestling), referee, second, timekeeper and trainer.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Voter registration transactions	463,020	920,000	1,200,000	1,400,000	1,000,000	1,200,000	1,200,000
Professional licenses and renewals issued	407,775	400,000	400,000	400,000	400,000	400,000	400,000
Disciplinary actions by boards	510	600	600	600	600	600	600
Case files closed	3,807	3,800	3,800	3,800	3,800	3,800	3,800
Case files opened	3,626	3,600	3,600	3,600	3,600	3,600	3,600
Uniform Commercial Code financing statement filings and information requests fulfilled	173,507	180,000	180,000	180,000	180,000	180,000	180,000

Program: Consumer Protection (continued)

Program Measures: (continued)

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Reviews of fictitious names, business corporations, trademark applications . .	140,775	160,000	160,000	160,000	160,000	160,000	160,000

The number of Uniform Commercial Code financing statement filings and information requests fulfilled as well as the program measure for review of fictitious names, business corporations and trademark applications have decreased from the previous budget due to fluctuations in the overall national business climate.

The decrease in the program measure for the disciplinary actions by the boards from those shown in the previous budget submission is based upon the most recent program activity.

The program measure for the number of case files closed (previously titled complaints processed by legal staff) has decreased from those presented in the previous budget based upon the most recent program activity.

The decrease in the program measure for the number of case files opened is attributed to increased licensee compliance with the applicable statutes.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

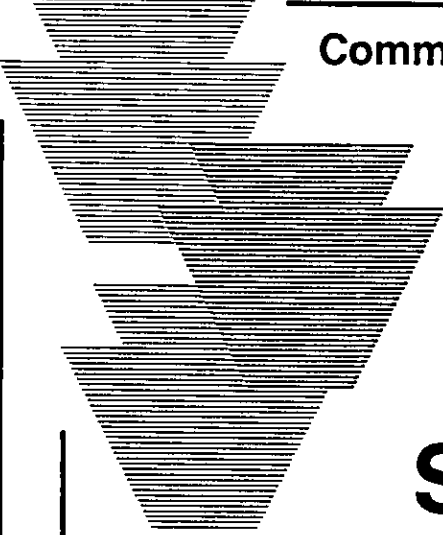
<p>General Government Operations</p> <p>\$ -125 —nonrecurring projects.</p> <p>115 —to continue current program.</p> <hr/> <p>\$ -10 <i>Appropriation Decrease</i></p>	<p>Publishing Constitutional Amendments</p> <p>\$ -203 —nonrecurring projects.</p>
<p>Voter Registration</p> <p>\$ 300 —to implement program. Enabling legislation will be required to allow expenditures for this program.</p>	
<p>Professional Licensure Augmentation Account</p> <p>\$ -762 —nonrecurring projects.</p> <p>1,184 —to continue current program.</p> <hr/> <p>\$ 422 <i>Appropriation Increase</i></p>	<p>State Board of Osteopathic Examiners</p> <p>\$ -3 —nonrecurring projects.</p> <p>41 —to continue current program.</p> <hr/> <p>\$ 38 <i>Appropriation Increase</i></p>
<p>Athletic Commission Augmentation Account</p> <p>\$ -49 —nonrecurring projects.</p>	<p>State Board of Podiatry</p> <p>\$ 10 —to continue current program.</p>
<p>State Board of Medical Education and Licensure</p> <p>\$ -18 —nonrecurring projects.</p> <p>170 —to continue current program.</p> <hr/> <p>\$ 152 <i>Appropriation Increase</i></p>	<p>Corporation Bureau</p> <p>\$ -224 —nonrecurring projects.</p> <p>75 —automated phone system.</p> <p>573 —to continue current program.</p> <hr/> <p>\$ 424 <i>Appropriation Increase</i></p>

This budget includes \$347,000 prorated among the respective Boards for upgrades and enhancements of the existing EDP system. Recommendation assumes that fees for all boards will be sufficient to fund the recommended expenditure level.

Program: Consumer Protection (continued)

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
GENERAL FUND:							
General Government Operations	\$ 1,024	\$ 1,356	\$ 1,346	\$ 1,401	\$ 1,449	\$ 1,504	\$ 1,563
Voter Registration		500	800	833	861	894	929
Publishing Constitutional Amendments . . .	4	263	60	60	60	60	60
Electoral College Expenses				8			
Voting of Citizens in Military Service	8	8	8	8	8	8	8
Voter Registration by Mail	400	400	400	300	200	100	100
County Election Expenses	121						
TOTAL GENERAL FUND	\$ 1,557	\$ 2,527	\$ 2,614	\$ 2,610	\$ 2,578	\$ 2,566	\$ 2,660



Commonwealth of Pennsylvania

State Employees' Retirement System

The State Employees' Retirement System is responsible for administering the State Employees' Retirement Fund and the supplemental retirement allowances and cost-of-living increases for annuitants.

STATE EMPLOYEES' RETIREMENT SYSTEM

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
<u>GENERAL FUND</u>			
<i>GRANTS AND SUBSIDIES:</i>			
National Guard — Employer Contribution	\$ 600	\$ 560	\$ 543
GENERAL FUND TOTAL	\$ 600	\$ 560	\$ 543
<u>OTHER FUNDS</u>			
<i>STATE EMPLOYEES' RETIREMENT FUND:</i>			
Administration	\$ 15,143	\$ 14,814	\$ 15,290
OTHER FUNDS TOTAL	\$ 15,143	\$ 14,814	\$ 15,290
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 600	\$ 560	\$ 543
OTHER FUNDS	15,143	14,814	15,290
TOTAL ALL FUNDS	\$ 15,743	\$ 15,374	\$ 15,833

STATE EMPLOYEES' RETIREMENT SYSTEM

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
STATE EMPLOYEES' RETIREMENT							
General Funds.....	\$ 600	\$ 560	\$ 543	\$ 543	\$ 543	\$ 543	\$ 543
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	0	0	0	0	0	0	0
Other Funds.....	15,143	14,814	15,290	15,917	16,458	17,083	17,749
TOTAL.....	\$ 15,743	\$ 15,374	\$ 15,833	\$ 16,460	\$ 17,001	\$ 17,626	\$ 18,292
ALL PROGRAMS:							
GENERAL FUND.....	\$ 600	\$ 560	\$ 543	\$ 543	\$ 543	\$ 543	\$ 543
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	15,143	14,814	15,290	15,917	16,458	17,083	17,749
TOTAL.....	\$ 15,743	\$ 15,374	\$ 15,833	\$ 16,460	\$ 17,001	\$ 17,626	\$ 18,292

STATE EMPLOYEES' RETIREMENT SYSTEM

PROGRAM OBJECTIVE: To provide an effective administrative system for the operation of the retirement system for State employees.

Program: State Employees' Retirement

The State Employees' Retirement System was established to administer the pension system created in 1924. Contributions by the employees and the employing agencies are made to the State Employees' Retirement Fund which uses those moneys and interest earnings for payment of annuities and disability benefits and for administration of the system. The State Employees' Retirement Fund is shown in the Special Funds Appendix.

The assets of the system are in excess of \$13 billion dollars. The system is funded in accordance with accepted actuarial standards; the funding is reviewed annually by a contracted actuarial firm and an experience review is completed every five years.

The greatest source of current income to the system is earnings from investments. Payments from member employers are the second major source of income. The contribution rate for employers is established annually by the board upon the recommendation of the actuary. Employer contributions differ in accordance with the class of employees for which they are contributing. There is additional cost for employees in safety positions, the Legislature and the Judiciary. Member contributions are the third source of income. Current members contribute 5 percent of pay to the system.

Normal retirement from the system is at age 60, age 50 for safety employees and members of the legislature, or at any age with 35 years of service. Retirement before those times is possible after ten years of service but is actuarially reduced to the equivalent of the annuity which would have been payable at superannuation retirement.

In the recent past several pieces of legislation were enacted to make early retirement more attractive. Under legislation which will expire on June 30, 1997 employees with 30 years of service can retire with a full pension based on service regardless of age. In addition, employees who were 55 years of age prior to January 31, 1992, with ten or more years of service were provided with the opportunity to retire between February 1, 1991 and December 31, 1991 and receive an additional 10 percent service credit.

Act 81 of 1987 established the Commonwealth Deferred Compensation Program which allows Commonwealth employees to defer a portion of their salaries to a retirement savings account. The State Employees' Retirement Board is responsible for its administration. The Deferred Compensation Fund is shown in the Special Funds Appendix to this volume.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Benefit payments processed	6,370	7,300	10,600	10,600	10,600	10,600	10,600
Average processing time for benefit payments (in days)	12	12	12	12	12	12	12
Return on investment (in millions)	\$975	\$820	\$1,216	\$1,297	\$1,380	\$1,402	\$1,542

The decrease in the return on investment measure in 1994-95 compared to 1993-94 reflects lower interest rates and decreased market returns on investments.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND

National Guard — Employer Contribution

\$ -17 —to maintain current contribution level.

In addition this budget recommends the following changes for the appropriation from the State Employees' Retirement Fund for General Government Operations for the State Employees' Retirement System:

STATE EMPLOYEES' RETIREMENT FUND

General Government Operations

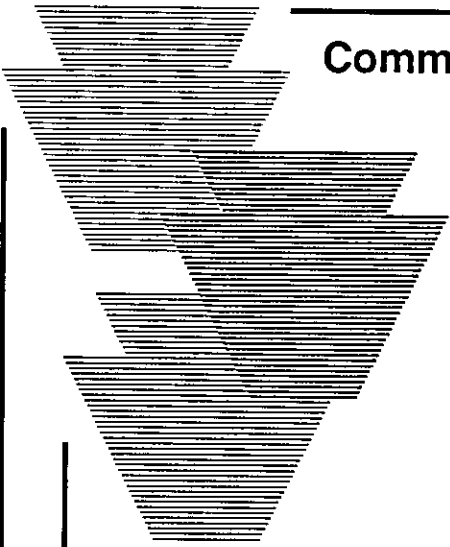
\$ 476 —to continue current program.

STATE EMPLOYEES' RETIREMENT SYSTEM

Program: State Employees' Retirement (continued)

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
National Guard — Employer Contribution	<u>\$ 600</u>	<u>\$ 560</u>	<u>\$ 543</u>	<u>\$ 543</u>	<u>\$ 543</u>	<u>\$ 543</u>	<u>\$ 543</u>
STATE EMPLOYEES' RETIREMENT FUND:							
General Government Operations	<u>\$ 15,143</u>	<u>\$ 14,814</u>	<u>\$ 15,290</u>	<u>\$ 15,917</u>	<u>\$ 16,458</u>	<u>\$ 17,083</u>	<u>\$ 17,749</u>



Commonwealth of Pennsylvania

State Police

The State Police enforce the law and preserve the peace through detection of crime and apprehension of criminals, patrol of highways, enforcement of the Vehicle Code and enforcement of the Liquor Code.

The State Police receive a General Fund appropriation for criminal law enforcement and a Motor License Fund transfer for traffic patrol activities. In 1995-96, the recommended ratio is 32 percent General Fund and 68 percent Motor License Fund. In addition, the State Police receive augmentations from the Turnpike Commission for turnpike patrol and from the State Stores Fund for liquor control enforcement.

STATE POLICE

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	1995-96 State Funds (In thousands)
GENERAL FUND		
Strengthening Crime Fighting Efforts		
	Automated Fingerprint Identification System	\$ 365
	General Government Operations	211
	Subtotal	<u>\$ 576</u>
MOTOR LICENSE FUND		
	General Government Operations	\$ 448

This Program Revision provides funds for increased administrative support to free troopers for patrol duty, and to provide "store and forward" technology to the Automated Fingerprint Identification System. In addition to State funds, \$1.1 million in Federal funds will support this Program Revision. Please see the Department of Corrections for further details on this Program Revision.

Department Total	\$ <u>1,024</u>
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STATE POLICE

Summary by Fund and Appropriation

GENERAL FUND	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL GOVERNMENT:			
General Government Operations	\$ 96,184 ^a	\$103,746 ^a	\$112,103
(F) DCSI — Drug Law Enforcement	62	150	150
(F) DCSI — Crime Lab Upgrade	1,206	783	783
(F) DCSI — Communications Processor .....	.....	462	462
(F) DCSI — Fingerprint System .....	.....	19	19
(F) DCSI — Fingerprint Compliance .....	.....	10	10
(F) Nationwide Traffic Safety	19	150	150
(F) Drug Enforcement	200	200	200
(F) Incident Based Reporting	239	350	350
(F) Criminal History Data	389	26	25
(F) Program Management	24	30	30
(F) Alcohol Program Management	26	1,500	1,500
(F) Motor Carrier Safety	921	750	400
(F) DUI Enforcement	371	35	35
(F) Patrol Administration	34	25	25
(F) Safety Education	38	250	250
(F) Interstate Highway Enforcement	255	.....	.....
(F) Laser Equipment	2	25	17
(F) Emergency Communications	8	600	.....
(F) Occupant Protection	291	100	41
(F) Criminal History Records	137	250	200
(F) Intoxicated and Underage Drinking	172	35	.....
(F) Highway Incident Management .....	.....	30	30
(F) Sobriety Test Training	19	11	.....
(F) Traffic Accident Reconstruction	8	80	.....
(F) Multi DUI Offenders .....	.....	79	.....
(F) SNA-NET Software .....	.....	.....	.....
(F) Winter Storm Disaster Aid	987	1,500	1,680
(F) Construction Zone Patrols .....	.....	17,000	17,603
(A) Turnpike Commission	16,451	2,700	2,700
(A) Criminal History Record Checks	2,700	32	34
(A) Training Fees	22	530	545
(A) Miscellaneous Services	567	900	900
(A) Transfer From DCA	901	.....^b	.....^b
(A) Transfer From Motor License Fund .....	.....	.....^b	.....^b
Subtotal — State Funds	\$ 96,184	\$ 103,746	\$ 112,103
Subtotal — Federal Funds	5,408	7,450	4,383
Subtotal — Augmentations	20,641	21,162	21,782
Total — General Government Operations	\$ 122,233	\$ 132,358	\$ 138,268
Patrol Vehicles	1,984	1,930	2,243
(A) Automobile Sales	489	1,000	1,000
(A) Transfer From Motor License Fund .....	.....^b	.....^b	.....^a
Total — Patrol Vehicles	\$ 2,473	\$ 2,930	\$ 3,243
Municipal Police Training	2,924	4,403	4,014
(A) Transfer From Motor License Fund .....	.....^b	.....^b	.....^b
Automated Fingerprint Identification System	1,305	777	930
(F) DCSI — AFIS Store and Forward .....	.....	.....	1,095
Total — Automated Fingerprint Identification System	\$ 1,305	\$ 777	\$ 2,025
Crime Commission	2,448 ^c	.....^c	.....^c
Subtotal — State Funds	\$ 104,845	\$ 110,856	\$ 119,290
Subtotal — Federal Funds	5,408	7,450	5,478
Subtotal — Augmentations	21,130	22,162	22,782
Total — General Government	\$ 131,383	\$ 140,468	\$ 147,550

^a Excludes \$16,000 for discontinued interagency billing.

^b Not added to the total to avoid double counting. See Motor License Fund section of this summary for dollar amounts.

^c Crime Commission expired June 30, 1994 with functions transferred to State Police.

STATE POLICE

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
GRANTS AND SUBSIDIES:			
(F) DCSI — Municipal Police Drug Law Enforcement	\$ 905	\$ 300	.....
STATE FUNDS	\$ 104,845	\$ 110,856	\$ 119,290
FEDERAL FUNDS	6,313	7,750	5,478
AUGMENTATIONS	21,130	22,162	22,782
GENERAL FUND TOTAL	\$ 132,288	\$ 140,768	\$ 147,550
MOTOR LICENSE FUND			
GENERAL GOVERNMENT:			
General Government Operations	\$ 208,402	\$ 221,745	\$ 238,671
Patrol Vehicles	4,216	4,100	4,765
Municipal Police Training	2,924	4,403	4,014
MOTOR LICENSE FUND TOTAL	\$ 215,542	\$ 230,248	\$ 247,450
OTHER FUNDS			
GENERAL FUND:			
Seized/Forfeited Property — Federal Court Awarded	\$ 894	\$ 700	\$ 300
State Drug Act Forfeiture Funds — Attorney General	362	600	200
State Criminal Enforcement Forfeiture Funds	25	25	25
Crime Lab User Fees .....	.....	5	5
STATE STORES FUND:			
Liquor Control Enforcement	13,420	14,435	15,302
OTHER FUNDS TOTAL	\$ 14,701	\$ 15,765	\$ 15,832
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 104,845	\$ 110,856	\$ 119,290
SPECIAL FUNDS	215,542	230,248	247,450
FEDERAL FUNDS	6,313	7,750	5,478
AUGMENTATIONS	21,130	22,162	22,782
OTHER FUNDS	14,701	15,765	15,832
TOTAL ALL FUNDS	\$ 362,531	\$ 386,781	\$ 410,832

STATE POLICE

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
PUBLIC PROTECTION AND LAW ENFORCEMENT							
General Funds.....	\$ 104,845	\$ 110,856	\$ 119,290	\$ 124,720	\$ 128,960	\$ 133,860	\$ 139,083
Special Funds.....	215,542	230,248	247,450	258,517	267,306	277,464	288,285
Federal Funds.....	6,313	7,750	5,478	4,383	4,383	4,383	4,383
Other Funds.....	35,831	37,927	38,614	40,196	41,563	43,141	44,824
TOTAL.....	\$ 362,531	\$ 386,781	\$ 410,832	\$ 427,816	\$ 442,212	\$ 458,848	\$ 476,575
ALL PROGRAMS:							
GENERAL FUND.....	\$ 104,845	\$ 110,856	\$ 119,290	\$ 124,720	\$ 128,960	\$ 133,860	\$ 139,083
SPECIAL FUNDS.....	215,542	230,248	247,450	258,517	267,306	277,464	288,285
FEDERAL FUNDS.....	6,313	7,750	5,478	4,383	4,383	4,383	4,383
OTHER FUNDS.....	35,831	37,927	38,614	40,196	41,563	43,141	44,824
TOTAL.....	\$ 362,531	\$ 386,781	\$ 410,832	\$ 427,816	\$ 442,212	\$ 458,848	\$ 476,575

STATE POLICE

PROGRAM OBJECTIVE: The State Police enforce the law and preserve the peace through detection of crime and apprehension of criminals, patrol of highways, enforcement of the Vehicle Code and abatement of certain fire hazards.

Program: Public Protection and Law Enforcement

Program Element: Management

This program element provides direction and coordination for all line and staff activities of the State Police, including administrative and overhead systems for the operation of various law enforcement programs. Included in this program are protection for the Governor and visiting dignitaries, security of the executive residence and background investigations on State job applicants.

Program Element: Vehicle Standards Control

The vehicle inspection program within the Commonwealth is currently conducted jointly by the Department of Transportation and the State Police. This program was established to provide vehicle safety through periodic inspection of motor vehicles and removal of unsafe vehicles from the Commonwealth's highways. State Police monitor the program through inspection station visitations and examine vehicles involved in fatal accidents for which vehicle failure was listed as a cause.

Program Element: Traffic Supervision

Enforcing the Commonwealth's traffic laws is a major responsibility of the State Police. The department emphasizes reducing traffic accidents and bringing the motoring public into voluntary compliance with all traffic laws through patrol and enforcement activities. Traffic patrol and enforcement are provided by the State Police in those municipalities where there are no full-time police departments and on all Interstate highways. Traffic assistance is also provided, upon request, to municipalities with full-time police departments.

The State Police utilize various patrol and enforcement techniques; however, the very presence of visible police patrols continues to have the greatest impact on reducing traffic accidents. In this regard, the State Police attempt to allocate patrol activities to those areas and locations with high traffic and accident volume. Supplemental patrolling is provided in construction zones for the safety of motorists and construction workers.

Program Element: Crime Prevention

Combating crime is not the responsibility of police alone. It requires the active, organized involvement of the public if any significant results are to be realized.

Since many crimes are preventable, the State Police have elicited citizen participation by providing guidance on: precautions the average individual may take to protect his/her person, family and property from crime; steps that neighbors may take towards protecting one another from crime; measures which individuals may take to reduce physical danger and property loss should they become a victim of crime; and steps citizens may take to help police solve crimes.

State Police has become the lead agency in the investigation of organized criminal activities since Act 84 of 1993 transferred these responsibilities from the Crime Commission to the State Police effective June 30, 1994. Through these investigations, State Police will seek to determine and combat causes of organized crime as well as prevent such criminal activities.

Program Element: Criminal Law Enforcement

State Police activities in this program are geared toward controlling the incidence of crime. Many factors affect the type and volume of crime that occurs within the Commonwealth. Some of the more important factors are density and size of community population, economic conditions including job availability, cultural conditions and effective strength of law enforcement agencies.

There are two ways to measure the productivity of the police effort in the criminal justice system. The first is the clearance rate, the percentage of reported crimes for which an arrest is made. The second is the conviction rate, the percentage of convictions resulting from total arrests.

Program Element: Emergency Assistance

The State Police are normally called upon whenever any emergency situation occurs within the Commonwealth. The department has primary police jurisdiction in large areas of the Commonwealth and also provides assistance to a variety of local and State agencies, particularly law enforcement agencies. A special emergency response team has been trained and equipped to assist with high-risk and emergency situations. The department classifies emergency assistance into two separate categories: civil disorder and disturbances, and emergency management.

Civil disorder and disturbances are incidents that are or may become criminal in nature in such categories as prison disturbances, labor disorders, strikes, campus-school disorders, youth group disorders, terrorism and hostage situations. Emergency management deals with prevention, mitigation and response to natural and/or man-made hazards to prevent loss of life and property, economic loss and disruption of normal living conditions.

Program Element: Liquor Control Enforcement

This program enforces the Pennsylvania Liquor Code and related Crimes Code Statutes. Operations include covert and overt investigations, assisting municipal police agencies, conducting routine license investigations, performing establishment audits and border patrols.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Vehicle Standards Control							
Inspection station visitations	17,902	17,500	17,500	17,500	17,500	17,500	17,500
School bus and mass transit vehicle inspections	23,788	23,000	23,000	23,000	23,000	23,000	23,000

STATE POLICE

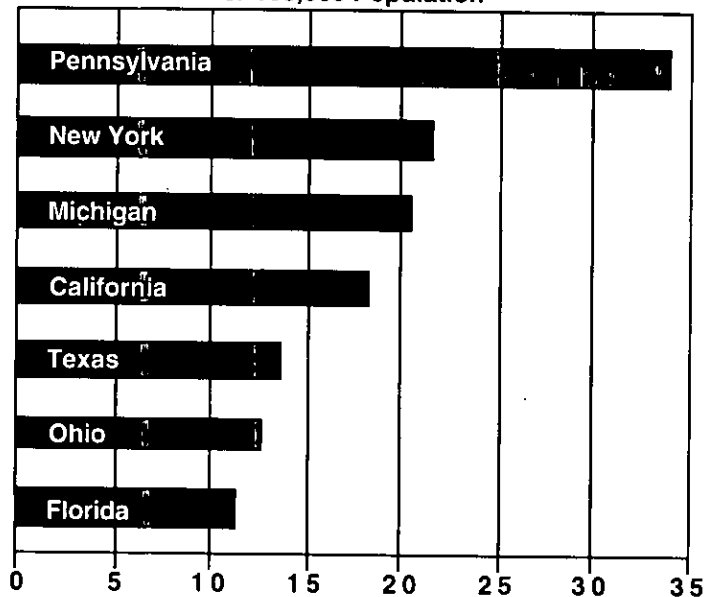
Program: Public Protection and Law Enforcement (continued)

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Traffic Supervision							
Accidents per 1,000 miles of highways in Pennsylvania	1,148	1,151	1,154	1,157	1,160	1,163	1,166
Accidents per 1,000 miles of highways patrolled by State Police	557	563	570	578	585	593	600
Traffic citations issued	440,726	450,000	450,000	450,000	450,000	450,000	450,000
Crime Prevention							
Crimes per 100,000 population in State Police jurisdiction areas:							
Against persons	101	102	104	100	108	110	113
Against property	1,070	1,100	1,110	1,120	1,130	1,140	1,150
Criminal Law Enforcement							
Crimes against persons:							
Persons arrested	2,310	2,320	2,330	2,340	2,350	2,360	2,370
Clearance rate	64.5%	63.0%	63.0%	63.0%	63.0%	63.0%	63.0%
Percent of those arrested who are convicted	58.3%	58.0%	58.0%	58.0%	58.0%	58.0%	58.0%
Crimes against property:							
Persons arrested	8,678	8,700	8,725	8,750	8,775	8,800	8,830
Clearance rate	22.8%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%
Percent of those arrested who are convicted	80.5%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
Liquor Control Enforcement							
Enforcement investigations	36,068	36,000	36,000	36,000	36,000	36,000	36,000

Liquor enforcement efforts are higher than shown in last year's budget due to additional funding from Federal grants which provided for increased enforcement of liquor laws, particularly for underage drinking violations.

State Policemen

Per 100,000 Population



Full-time law enforcement officers as of October 1993.

STATE POLICE

Program: Public Protection and Law Enforcement (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	GENERAL FUND AND MOTOR LICENSE FUND COMBINED			Patrol Vehicles
	General Government Operations	\$	978	—to replace approximately 500 patrol vehicles.
\$ 659	—PRR — Strengthening Crime Fighting Efforts. To have more enlisted personnel available for patrol and criminal investigation activities by hiring civilian personnel to do clerical and administrative work presently performed by troopers. See the Program Revision in the Department of Corrections for further information.	\$	-774	Municipal Police Training
			-100	—nonrecurring training costs.
			96	—nonrecurring equipment purchases.
		\$	-778	—to continue current program.
				<i>Appropriation Decrease</i>
4,169	—Initiative — Selection and Promotion Examinations. For the administration of improved examinations for the selection and promotion of State Police enlisted personnel.		365	Automated Fingerprint Identification System
1,875	—for equipment to improve criminal investigations and law enforcement activities.	\$	-212	—PRR — Strengthening Crime Fighting Efforts. To acquire system enhancements that will expedite the transferring of data by using live scan fingerprint technology. In addition, \$1,095,000 in Federal funds will be available. See the Program Revision in the Department of Corrections for further information
300	—for replacement of high mileage undercover vehicles.	\$	153	—nonrecurring equipment purchase.
420	—for additional patrolling in highway construction zones. Approximately \$1.6 million in Federal funds may be available to support this effort.			<i>Appropriation Increase</i>
	—to continue current program.	\$	81	Liquor Control Enforcement
17,860			786	—equipment to improve enforcement of liquor laws.
\$ 25,283	<i>Appropriation Increase</i>	\$	867	—to continue current program.
				<i>Appropriation Increase</i>

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
General Government Operations	\$ 96,184	\$ 103,746	\$ 112,103	\$ 117,618	\$ 121,617	126,238	\$ 131,163
Patrol Vehicles	1,984	1,930	2,243	2,335	2,414	2,506	2,604
Municipal Police Training	2,924	4,403	4,014	4,179	4,321	4,485	4,660
Automated Fingerprint Identification System	1,305	777	930	588	608	631	656
Crime Commission	2,448						
TOTAL GENERAL FUND	\$ 104,845	\$ 110,856	\$ 119,290	\$ 124,720	\$ 128,960	\$ 133,860	\$ 139,083
MOTOR LICENSE FUND:							
General Government Operations	\$ 208,402	\$ 221,745	\$ 238,671	\$ 249,378	\$ 257,856	\$ 267,655	\$ 278,093
Patrol Vehicles	4,216	4,100	4,765	4,960	5,129	5,324	5,532
Municipal Police Training	2,924	4,403	4,014	4,179	4,321	4,485	4,660
TOTAL MOTOR LICENSE FUND	\$ 215,542	\$ 230,248	\$ 247,450	\$ 258,517	\$ 267,306	\$ 277,464	\$ 288,285
STATE STORES FUND:							
Liquor Control Enforcement	\$ 13,420	\$ 14,435	\$ 15,302	\$ 15,929	\$ 16,471	\$ 17,097	\$ 17,764



Commonwealth of Pennsylvania

Tax Equalization Board

The State Tax Equalization Board annually determines the aggregate market value of assessed taxable real property throughout the Commonwealth for use in calculating the amount and allocation of Commonwealth subsidies to school districts, for State support of public libraries and for determining certain tax limitations.

TAX EQUALIZATION BOARD

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
<u>GENERAL FUND</u>			
GENERAL GOVERNMENT:			
General Government Operations	\$ 1,234	\$ 1,301	\$ 1,466
GENERAL FUND TOTAL	\$ 1,234	\$ 1,301	\$ 1,466

TAX EQUALIZATION BOARD

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
EDUCATION SUPPORT SERVICES							
General Funds.....	\$ 1,234	\$ 1,301	\$ 1,466	\$ 1,526	\$ 1,578	\$ 1,638	\$ 1,702
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
TOTAL.....	\$ 1,234	\$ 1,301	\$ 1,466	\$ 1,526	\$ 1,578	\$ 1,638	\$ 1,702
ALL PROGRAMS:							
GENERAL FUND.....	\$ 1,234	\$ 1,301	\$ 1,466	\$ 1,526	\$ 1,578	\$ 1,638	\$ 1,702
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
TOTAL.....	\$ 1,234	\$ 1,301	\$ 1,466	\$ 1,526	\$ 1,578	\$ 1,638	\$ 1,702

TAX EQUALIZATION BOARD

PROGRAM OBJECTIVE: To provide an effective administrative system to assess taxable real property value which is the basis for an equitable distribution of tax funds to support education services.

Program: Education Support Services

The State Tax Equalization Board is an independent administrative board created to ensure equitable distribution of tax funds among the State's school districts. The board, in accordance with Act 147 of 1947, determines annually the aggregate market value of taxable real property in each of the more than 2,500 municipalities and 501 school districts in the Commonwealth and certifies the market value to the Secretary of Education. The results are used in determining distribution of State subsidies to school districts and local libraries, in lieu of tax payments under Project 70 Land Acquisitions, limitations on real estate taxes in school districts lying in more than one county, tax limitations in financing

community colleges, and overall tax limitations for political subdivisions and school districts. The program includes holding of hearings and analysis of real estate values and transactions. Act 267 of 1982 requires the board to establish annually a common level ratio of assessed value to market value in each county for the prior calendar year.

Prior to 1992, Act 192 of 1986 required the board to certify assessors for the valuation of real property for ad valorem taxation purposes. Act 28 of 1992 transferred the function of certifying assessors to the State Board of Certified Real Estate Appraisers within the Department of State.

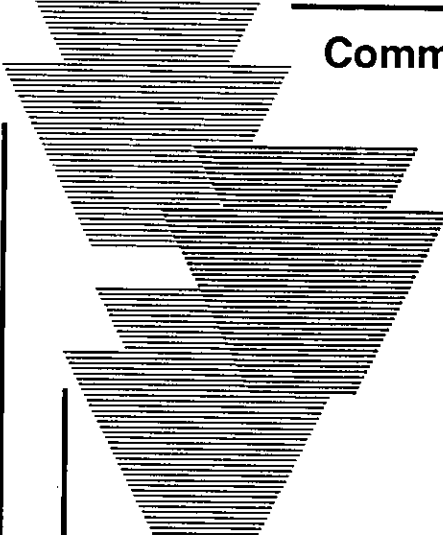
Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations
\$ 165 —to continue current program.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
General Government Operations	\$ 1,234	\$ 1,301	\$ 1,466	\$ 1,526	\$ 1,578	\$ 1,638	\$ 1,702



Commonwealth of Pennsylvania

Department of Transportation

The responsibility of the Department of Transportation is to provide fast, efficient and safe movement of people and goods within the Commonwealth through a balanced transportation system. The department was formed July 1, 1970 by an act of the Legislature combining the former Department of Highways with other transportation-related activities in various departments.

TRANSPORTATION

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND:			
GENERAL GOVERNMENT:			
Transit and Rail Freight Operations	\$ 1,413	\$ 1,542	\$ 1,550
(F) FTA — Technical Studies Grants	2,396	2,900	2,776
(F) Capital Assistance	61	82	85
(F) Surface Transportation Assistance	713	801	802
(F) FTA — Capital Improvement Grants	3,692	3,700	3,700
(F) Title IV Rail Assistance	14	56	56
(R) Project Management Oversight — PTAF (EA)	163	1,000	1,000
(A) Local Contribution — Rail Freight	39	42	37
(A) PTAF — Oversight .....	.....	.....	.....
Comprehensive Rail Freight Study .....	.....	100	100
Rail Safety Inspection	336	346	356
Vehicle Sales Tax Collections	1,706	1,706	1,706
Welcome Centers	896	1,104	1,243
Voter Registration .....	.....	740	1,092
Relocation of Transportation and Safety Operations .....	.....	.....	225
Subtotal — State Funds	\$ 4,351	\$ 5,538	\$ 6,272
Subtotal — Federal Funds	6,876	7,539	7,419
Subtotal — Augmentations	39	42	37
Subtotal — Restricted Revenue	163	1,000	1,000
Total — General Government	\$ 11,429	\$ 14,119	\$ 14,728
GRANTS AND SUBSIDIES:			
Mass Transportation Assistance	\$ 240,112 ^b	\$ 247,246 ^c	\$ 254,663
Fixed Route Transit	25,090	25,090	25,090
Intercity Rail and Bus Transportation	1,888 ^b	1,888 ^c	1,888
(F) Surface Transportation — Operating	4,525	5,700	6,200
(F) Surface Transportation Assistance Capital	1,065	4,000	4,000
(F) Maglev Feasibility Study	500	500	500
(R) Technical Assistance — PTAF (EA)	551	1,399	1,412
(R) Community Transportation Equipment Grants — PTAF (EA) ..	2,844	2,846	2,300
Rail Freight Assistance	3,600	2,600	3,600
(A) Rail Freight — Reimbursement	17	200	200
Civil Air Patrol	95	.....	.....
Subtotal — State Funds	\$ 270,785	\$ 276,824	\$ 285,241
Subtotal — Federal Funds	6,090	10,200	10,700
Subtotal — Augmentations	17	200	200
Subtotal — Restricted Revenue	3,395	4,245	3,712
Total — Grants and Subsidies	\$ 280,287	\$ 291,469	\$ 299,853
STATE FUNDS	\$ 275,136	\$ 282,362	\$ 291,513
FEDERAL FUNDS	12,966	17,739	18,119
AUGMENTATIONS	56	242	237
RESTRICTED REVENUES	3,558	5,245	4,712
GENERAL FUND TOTAL	\$ 291,716	\$ 305,588	\$ 314,581

^a Not added to the total to avoid double counting: 1993-94 Actual is \$6,000; 1994-95 Available is \$12,000 and 1995-96 Budget is \$7,000.

^b Actually appropriated as Mass Transportation Assistance \$237,795,000 and Rural and Intercity Rail and Bus Transportation \$4,205,000.

^c Actually appropriated as Mass Transportation Assistance \$244,929,000 and Rural and Intercity Rail and Bus Transportation \$4,205,000.

TRANSPORTATION

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
MOTOR LICENSE FUND:			
GENERAL GOVERNMENT:			
General Government Operations	\$ 26,811	\$ 27,264	\$ 27,857
Refunding Collected Monies (EA)	2,311	2,500	2,500
Relocation of Transportation and Safety Operations .....	.....	.....	14,814
(A) Mass Transportation	114	123	119
(A) Duplicating Services	88	150	150
(A) Aviation Restricted Revenue	136	107	110
(A) Administrative Hearings	23	20	20
Subtotal — State Funds	\$ 29,122	\$ 29,764	\$ 45,171
Subtotal — Augmentations	361	400	399
Total — General Government Operations	\$ 29,483	\$ 30,164	\$ 45,570
Highway and Safety Improvement	\$ 135,000	\$ 171,400	\$ 145,000
Metric Conversion	582	5,000	7,600
(F) Highway Research, Planning and Construction	504,744	606,800	657,020
(F) Highway Safety Program	344	300	300
(A) Highway Construction Contributions	3,986	4,000	96,317
(A) Capital Facilities Fund — Highways .....	.....	.....	.....
(R) Highway Capital Projects — Excise Tax (EA)	48,623	47,746	50,013
(R) Highway Bridge Projects (EA)	(498)	46,100	62,000
(R) Bridges — Excise Tax (EA)	24,730	36,513	50,696
(F) Federal Aid — Highway Bridge Projects	88,739	105,000	90,000
(A) Bridge Construction Contributions	467	3,500	4,000
(A) Capital Facilities Fund — Bridges .....	.....^b	.....^b	.....
(A) Bridge Reimbursement from Local Governments	73	500	500
Subtotal — State Funds	\$ 135,582	\$ 176,400	\$ 152,600
Subtotal — Federal Funds	593,827	712,100	747,320
Subtotal — Augmentations	4,526	8,000	100,817
Subtotal — Restricted Revenue	72,855	130,359	162,709
Total — Highway and Safety Improvements	\$ 806,790	\$ 1,026,859	\$ 1,163,446

^a Not added to the total to avoid double counting: 1993-94 Actual is \$16,825,000.

^b Not added to the total to avoid double counting: 1993-94 Actual is \$39,696,000 and 1994-95 Available is \$24,800,000.

TRANSPORTATION

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
MOTOR LICENSE FUND: (continued)			
<i>GENERAL GOVERNMENT (continued):</i>			
Highway Maintenance	\$ 538,947	\$ 564,192	\$ 621,949
Secondary Roads — Maintenance and Resurfacing (EA)	55,452	56,305	57,044
Highway Maintenance — Supplemental	37,575	24,678	5,007
Reinvestment — Facilities	2,999	6,000	6,000
Local Bridge Inspection	625	425	775
(F) Highway Research, Planning and Construction	119,570	150,000	150,500
(F) State and Community Highway Safety	1,522	2,000	2,500
(F) Federal Reimbursement — OEP	16,109	3,650	.....
(F) Local Bridge Inspection	1,099	1,275	2,325
(R) Highway Maintenance — Excise Tax (EA)	120,127	117,958	123,567
(A) Highway Maintenance Contributions	7,418	7,906	8,006
(A) Sale of Automobiles	174	150	150
(A) Sale of Gas, Oil and Antifreeze	1,392	1,500	1,500
(A) Sale of Equipment	581	2,000	2,000
(A) Heavy Hauling-Bonded Roads	431	500	500
(A) Sale of Signs	157	100	200
(A) Accident Damage Claims	3,249	3,500	3,500
(A) Litter Fine Receipts	9	9	9
(A) Recovered Permit Compliance Cost	11	35	35
(A) Reimbursement — Maintenance of Drivers Exam Sites .....	.....^a	.....^b	.....
Subtotal — State Funds	\$ 635,598	\$ 651,600	\$ 690,775
Subtotal — Federal Funds	138,300	156,925	155,325
Subtotal — Augmentations	13,422	15,700	15,900
Subtotal — Restricted Revenue	120,127	117,958	123,567
Total — Highway Maintenance	\$ 907,447	\$ 942,183	\$ 985,567
Safety Administration and Licensing	\$ 71,562	\$ 78,448	\$ 79,939
(F) State and Community Highway Safety	100	350	100
(A) Administrative Support	40	100	100
(A) Computer Support	159	160	160
(A) Photo ID Program	4,366	8,900	9,780
(A) Vehicle Sales Tax Collections .....	.....^b	.....^b	.....^b
(A) Emission Mechanic Training Courses	3	10	10
(A) Video Sales Reimbursement .....	.....	10	10
Subtotal — State Funds	\$ 71,562	\$ 78,448	\$ 79,939
Subtotal — Federal Funds	100	350	100
Subtotal — Augmentations	4,568	9,180	10,060
Total — Safety Administration and Licensing	\$ 76,230	\$ 87,978	\$ 90,099

^a Not added to the total to avoid double counting: 1993-94 Actual is \$549,000, 1994-95 Available and 1995-96 Budget are \$500,000.

^b Not added to the total to avoid double counting: 1993-94 Actual, 1994-95 Available and 1995-96 Budget are \$1,706,000.

TRANSPORTATION

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available		1995-96 Budget
MOTOR LICENSE FUND: (continued)				
GENERAL GOVERNMENT (continued):				
(R) Aviation Operations *	\$ 10,884	\$ 10,999	\$	\$ 11,833
(F) Airport Development Aid Program	41	25		10
(F) Airport Inspection	.....	36		301
(F) Federal Aid — HIA	1,450	2,546		10,252
(F) Federal Aid — Other State Airports	150	1,195		2,891
(F) Environmental Remediation — HIA	86	838		1,200
(F) Environmental Remediation — Industrial Park	22	464		600
(A) HIA Utility Services	141	88		87
(A) Other State Airports Utility Services	26	35		27
(A) Flight Operations	283	383		284
(A) Police Citations — HIA	15	4		4
(A) Airport Inspections and Licensing	5	5		15
(A) Airport Improvement Program — Other State Airports	162	263		299
(A) Industrial Park Reimbursements	143	65		125
(A) Improvement Program — HIA	373	305		711
(A) General Fund Reimbursement	30	.....		.....
Subtotal — Federal Funds	\$ 1,749	\$ 5,104	\$	\$ 15,254
Subtotal — Augmentations	1,178	1,148		1,552
Subtotal — Restricted Revenue	10,884	10,999		11,833
Total — Aviation Operations	\$ 13,811	\$ 17,251	\$	\$ 28,639
Subtotal — State Funds	\$ 871,864	\$ 936,212	\$	\$ 968,485
Subtotal — Federal Funds	733,976	874,479		917,999
Subtotal — Augmentations	24,055	34,428		128,728
Subtotal — Restricted Revenue	203,866	259,316		298,109
Total — General Government	\$ 1,833,761	\$ 2,104,435	\$	\$ 2,313,321
GRANTS AND SUBSIDIES:				
Local Road Maintenance and Construction Payments	\$ 159,685	\$ 164,332	\$	\$ 167,506
Supplemental Local Road Maintenance and Construction Payments	5,000	5,000		5,000
(R) Local Road Payments — Excise Tax (EA)	34,323	33,703		35,312
(R) Local Grants For Bridge Projects (EA)	507	34,000		36,000
(R) County Bridges — Excise Tax (EA)	359	7,281		5,444
(F) Federal Aid-Local Grants for Bridge Projects	1,058	1,300		1,600
(F) Federal Aid-County Bridges	.....	10		50
(A) Local Governments	158	300		400
(R) Toll Roads — Excise Tax (EA)	39,230	40,101		41,490
(R) Annual Maintenance Payments — Highway Transfer (EA)	9,270	9,588		10,013
(R) Restoration Projects — Highway Transfer (EA)	5,309	7,463		6,844
(R) Business Airport Grants *	2,000	2,000		2,000
(R) Airport Development *	4,000	4,000		4,000

* Appropriation from restricted revenue account.

TRANSPORTATION

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
MOTOR LICENSE FUND; (continued)			
<i>GRANTS AND SUBSIDIES: (continued)</i>			
(R) Runway Rehabilitation *	\$ 500	\$ 500	\$ 500
(R) Real Estate Tax Rebate *	250	360	250
Subtotal — State Funds	\$ 164,685	\$ 169,332	\$ 172,506
Subtotal — Federal Funds	1,058	1,310	1,650
Subtotal — Augmentations	158	300	400
Subtotal — Restricted Revenue	95,748	138,996	141,853
 Total — Grants and Subsidies	 \$ 261,649	 \$ 309,938	 \$ 316,409
STATE FUNDS	\$ 1,036,549	\$ 1,105,544	\$ 1,140,991
FEDERAL FUNDS	735,034	875,789	919,649
AUGMENTATIONS	24,213	34,728	129,128
RESTRICTED REVENUES	299,614	398,312	439,962
 MOTOR LICENSE FUND TOTAL	 \$ 2,095,410	 \$ 2,414,373	 \$ 2,629,730
 LOTTERY FUND			
<i>GRANTS AND SUBSIDIES:</i>			
Older Pennsylvanians Free Transit (EA)	\$ 56,520	\$ 56,100	\$ 56,718
Older Pennsylvanians Shared Rides (EA)	49,394	54,925	56,100
Total — Grants and Subsidies	\$ 105,914	\$ 111,025	\$ 112,818
 LOTTERY FUND TOTAL	 \$ 105,914	 \$ 111,025	 \$ 112,818
 OTHER FUNDS			
<i>GENERAL FUND:</i>			
Federal Grants-Railroad Freight Rehabilitation	\$ 940	\$ 500	\$ 750
GENERAL FUND TOTAL	\$ 940	\$ 500	\$ 750
 <i>MOTOR LICENSE FUND:</i>			
Federal Reimbursements — Highway Safety Program	\$ 5,089	\$ 5,200	\$ 5,250
Reimbursements to Municipalities — Vehicle Code Fines and Penalties	11,935	15,000	16,000
Federal Reimbursements — Flood Related Costs	.....	500	500
Reimbursements to Other States — Apportioned Registration Plan	21,103	23,000	24,000
Federal Reimbursements — County Bridge Projects	.....	.....	900
Federal Reimbursements — Bridge Projects	33,533	20,000	22,000
Motorcycle Safety Education	2,852	2,100	2,200
Equipment Rental Security Deposits	.....	100	100
Payments to Blind/Visually Handicapped	989	1,600	1,600
Federal Reimbursements — Political Subdivisions	12,639	17,000	20,000
Federal Aid — Timber Bridges	3	75	50
License and Registration Pickups	.....	10	15
Traffic Operation Program	400	.....	.....
 MOTOR LICENSE FUND TOTAL	 \$ 88,543	 \$ 84,585	 \$ 92,615

* Appropriated from restricted revenue account.

TRANSPORTATION

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
OTHER FUNDS (continued)			
HIGHWAY BEAUTIFICATION FUND:			
Control of Junkyards (EA)	\$ 6	\$ 25	\$ 25
Control of Outdoor Advertising (EA)	676	1,100	1,100
HIGHWAY BEAUTIFICATION FUND TOTAL	\$ 682	\$ 1,125	\$ 1,125
MOTOR VEHICLE TRANSPORTATION RECOVERY FUND:			
Reimbursement to Transportation	\$ 61	250	\$ 76
MOTOR VEHICLE TRANSPORTATION RECOVERY FUND TOTAL	\$ 61	\$ 250	\$ 76
LIQUID FUELS TAX FUND:			
Payments to Counties	\$ 26,344	\$ 26,515	\$ 25,293
LIQUID FUELS TAX FUND TOTAL	\$ 26,344	\$ 26,515	\$ 25,293
PUBLIC TRANSPORTATION ASSISTANCE FUND:			
Transfer to General Fund (EA) .....	.....^a	.....^a	.....^a
Mass Transit Grants (EA)	\$ 150,468	\$ 150,085	\$ 157,434
Rural and Intercity Transit Grants (EA)	4,476	4,711	4,707
PUBLIC TRANSPORTATION ASSISTANCE FUND TOTAL ..	\$ 154,944	\$ 154,796	\$ 162,141
OTHER FUNDS TOTAL	\$ 271,514	\$ 267,771	\$ 282,000
DEPARTMENT TOTAL — ALL FUNDS			
GENERAL FUND	\$ 275,136	\$ 282,362	\$ 291,513
SPECIAL FUNDS	1,142,463	1,216,569	1,253,809
FEDERAL FUNDS	748,000	893,528	937,768
AUGMENTATIONS	24,269	34,970	129,365
RESTRICTED REVENUE	303,172	403,557	444,674
OTHER FUNDS	271,514	267,771	282,000
TOTAL ALL FUNDS	\$ 2,764,554	\$ 3,098,757	\$ 3,339,129

^a Not added to the total to avoid double counting: 1993-94 Actual is \$4,699,000; 1994-95 Available is \$4,699,000 and 1995-96 Budget is \$4,712,000.

TRANSPORTATION

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
TRANSPORTATION SUPPORT SERVICES							
General Funds.....	\$ 1,413	\$ 1,642	\$ 1,875	\$ 1,720	\$ 1,781	\$ 1,849	\$ 1,948
Special Funds.....	29,122	29,764	45,171	40,152	41,000	43,106	39,632
Federal Funds.....	6,876	7,539	7,419	7,530	7,645	7,765	7,890
Other Funds.....	524	1,400	1,399	1,415	1,425	1,435	1,445
TOTAL.....	\$ 37,935	\$ 40,345	\$ 55,864	\$ 50,817	\$ 51,851	\$ 54,155	\$ 50,915
STATE HIGHWAY AND BRIDGE CONSTRUCTION/RECONSTRUCTION							
General Funds.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Special Funds.....	135,582	176,400	152,600	138,400	140,000	145,000	150,000
Federal Funds.....	593,827	712,100	747,320	570,503	608,847	684,551	752,179
Other Funds.....	97,652	148,272	260,695	161,931	132,806	132,794	134,684
TOTAL.....	\$ 827,061	\$ 1,036,772	\$ 1,160,615	\$ 870,834	\$ 881,653	\$ 962,345	\$ 1,036,863
STATE HIGHWAY AND BRIDGE MAINTENANCE							
General Funds.....	\$ 896	\$ 1,104	\$ 1,243	\$ 1,285	\$ 1,335	\$ 1,387	\$ 1,441
Special Funds.....	634,973	651,175	690,000	660,500	658,500	650,250	654,250
Federal Funds.....	137,201	155,650	153,000	153,000	153,000	153,000	153,000
Other Funds.....	159,268	172,371	192,363	175,695	176,626	177,582	178,536
TOTAL.....	\$ 932,338	\$ 980,300	\$ 1,036,606	\$ 990,480	\$ 989,461	\$ 982,219	\$ 987,227
LOCAL HIGHWAY AND BRIDGE ASSISTANCE							
General Funds.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Special Funds.....	165,310	169,757	173,281	171,581	172,677	173,575	174,697
Federal Funds.....	2,157	2,585	3,975	3,050	3,550	3,050	3,550
Other Funds.....	134,780	170,925	178,256	159,622	167,035	173,454	179,875
TOTAL.....	\$ 302,247	\$ 343,267	\$ 355,512	\$ 334,253	\$ 343,262	\$ 350,079	\$ 358,122
MASS TRANSPORTATION							
General Funds.....	\$ 240,448	\$ 247,592	\$ 255,019	\$ 255,031	\$ 255,045	\$ 255,060	\$ 255,075
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	0	0	0	0	0	0	0
Other Funds.....	150,468	150,085	157,434	157,300	159,400	161,100	163,300
TOTAL.....	\$ 390,916	\$ 397,677	\$ 412,453	\$ 412,331	\$ 414,445	\$ 416,160	\$ 418,375
INTERCITY RAIL AND BUS TRANSPORTATION							
General Funds.....	\$ 5,488	\$ 4,488	\$ 5,488	\$ 5,488	\$ 5,488	\$ 5,488	\$ 5,488
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	6,090	10,200	10,700	10,200	10,200	10,200	10,200
Other Funds.....	6,023	6,852	7,106	7,127	7,145	7,163	7,183
TOTAL.....	\$ 17,601	\$ 21,540	\$ 23,294	\$ 22,815	\$ 22,833	\$ 22,851	\$ 22,871

TRANSPORTATION

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	ACTUAL	AVAILABLE	BUDGET	ESTIMATED	ESTIMATED	ESTIMATED	ESTIMATED
AIR TRANSPORTATION							
General Funds.....	\$ 95	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	1,749	5,104	15,254	4,575	4,099	4,038	3,687
Other Funds.....	18,812	19,007	20,135	20,638	20,224	20,808	20,921
TOTAL.....	\$ 20,656	\$ 24,111	\$ 35,389	\$ 25,213	\$ 24,323	\$ 24,846	\$ 24,608
SAFETY ADMINISTRATION AND LICENSING							
General Funds.....	\$ 1,706	\$ 2,446	\$ 2,798	\$ 2,835	\$ 2,879	\$ 2,925	\$ 2,973
Special Funds.....	71,562	78,448	79,939	83,217	86,046	89,316	92,799
Federal Funds.....	100	350	100	100	100	100	100
Other Funds.....	28,584	34,540	36,351	37,459	38,567	39,675	40,783
TOTAL.....	\$ 101,952	\$ 115,784	\$ 119,188	\$ 123,611	\$ 127,592	\$ 132,016	\$ 136,655
OLDER PENNSYLVANIANS TRANSIT							
General Funds.....	\$ 25,090	\$ 25,090	\$ 25,090	\$ 25,090	\$ 25,090	\$ 25,090	\$ 25,090
Special Funds.....	105,914	111,025	112,818	117,652	122,775	128,208	133,971
Federal Funds.....	0	0	0	0	0	0	0
Other Funds.....	2,844	2,846	2,300	2,300	2,300	2,300	2,300
TOTAL.....	\$ 133,848	\$ 138,961	\$ 140,208	\$ 145,042	\$ 150,165	\$ 155,598	\$ 161,361
ALL PROGRAMS:							
GENERAL FUND.....	\$ 275,136	\$ 282,362	\$ 291,513	\$ 291,449	\$ 291,618	\$ 291,799	\$ 292,015
SPECIAL FUNDS.....	1,142,463	1,216,569	1,253,809	1,211,502	1,220,998	1,229,455	1,245,349
FEDERAL FUNDS.....	748,000	893,528	937,768	748,958	787,441	862,704	930,606
OTHER FUNDS.....	598,955	706,298	856,039	723,487	705,528	716,311	729,027
TOTAL.....	\$ 2,764,554	\$ 3,098,757	\$ 3,339,129	\$ 2,975,396	\$ 3,005,585	\$ 3,100,269	\$ 3,196,997

TRANSPORTATION

PROGRAM OBJECTIVE: To provide an effective administrative system supporting both non-highway and highway transportation programs.

Program: Transportation Support Services

This program provides for administrative and overhead services which support the operations of programs necessary for the achievement of Commonwealth and department objectives.

The non-highway related activities provide administrative coordination, planning and support for all urban, rural and intercity mass transportation, rail freight transportation and oversight responsibility of the Public Transportation Assistance Fund created by Act 26 of 1991. Efficient and effective urban mass transportation is promoted through analysis of local transit operations and procedures, coordination and funding of urban planning and study projects, and review of local operating subsidy and capital grant projects. Activities designed to continue and improve rail and bus service between Pennsylvania's

urbanized areas and bus service in rural areas include: preparing and coordinating needs studies; analyzing existing and proposed service levels; and evaluating the overall effectiveness of the program.

The highway related activities develop basic guidelines for the highway program, while directing and coordinating specific construction, maintenance and safety and licensing activities. Among the various managerial responsibilities, support is provided in legal, budgetary, accounting, personnel, procurement, information systems and public relations matters. In addition to supervisory functions performed by department employes, the work of the Inspector General's office, the State Transportation Commission and the Transportation Advisory Committee are included within this program.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>GENERAL FUND: Transit and Rail Freight Operations \$ 8 —to continue current program.</p> <p>Relocation of Transportation and Safety Operations \$ 225 —to relocate operations during the reconstruction of the Transportation and Safety Building.</p>	<p>MOTOR LICENSE FUND: General Government Operations \$ 593 —to continue current program.</p> <p>Relocation of Transportation and Safety Operations \$ 14,814 —to relocate operations during the reconstruction of the Transportation and Safety Building.</p>
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Refunding Collected Monies and Comprehensive Rail Freight Study are recommended at the current year level.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Transit and Rail Freight Operations	\$ 1,413	\$ 1,542	\$ 1,550	\$ 1,603	\$ 1,666	\$ 1,731	\$ 1,799
Comprehensive Rail Freight Study		100	100				
Relocation of Transportation and Safety Operations			225	117	115	118	149
TOTAL GENERAL FUND	\$ 1,413	\$ 1,642	\$ 1,875	\$ 1,720	\$ 1,781	\$ 1,849	\$ 1,948
MOTOR LICENSE FUND:							
General Government Operations	\$ 26,811	\$ 27,264	\$ 27,857	\$ 28,999	\$ 29,985	\$ 31,125	\$ 32,338
Refunding Collected Monies	2,311	2,500	2,500	2,500	2,500	2,500	2,500
Relocation of Transportation and Safety Operations			14,814	8,653	8,515	9,481	4,794
TOTAL MOTOR LICENSE FUND	\$ 29,122	\$ 29,764	\$ 45,171	\$ 40,152	\$ 41,000	\$ 43,106	\$ 39,632

TRANSPORTATION

PROGRAM OBJECTIVE: To provide a highway and bridge system capable of meeting the economic and recreational needs of the Commonwealth.

Program: State Highway and Bridge Construction/Reconstruction

This program involves major construction work on the Commonwealth's Interstate Highway System, on other priority State highways and on State bridges.

Activities involve the construction or reconstruction of highways and bridges that contribute to the economic growth of the Commonwealth and the mobility of the State's citizens. The scope of this program includes Interstate and major primary roads, as well as those State roads that are not part of the Federal aid system. Within the funding available from Federal aid, local construction contributions and current State revenues, the Department of Transportation is charged with the responsibility of developing and executing a program that will correct the most critical deficiencies on the State-administered highway system including projects to enhance safety and mobility.

This program also involves improvements to those State-owned bridges enumerated in the Highway Bridge Capital Budget Act of 1982 and subsequent amendments. These improvements are funded through annual registration fees for Commonwealth-registered vehicles having a gross weight in excess of 26,000 pounds and a six-cent per gallon tax on motor fuel used by motor carriers in the operation of their commercial vehicles on highways within the Commonwealth.

Act 26 of 1991 provides additional State highway and bridge construction/reconstruction funds through a 55 mill Oil Company Franchise Tax of which 17 percent is specifically dedicated to highway capital projects and 13 percent to bridges.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Miles of construction on new right-of-way	9	28	14	17	35	25	36
Miles of Interstate reconstruction	90	157	128	35	35	90	90
Miles of non-Interstate reconstruction	34	52	35	62	28	50	50
Intersections improved to increase safety and capacity	50	130	200	200	225	225	225
Bridges maintained (larger than 8 feet)	25,849	25,855	25,860	25,865	25,870	25,875	25,880
Bridges replaced/repaired	310	290	300	280	260	260	260

New and reconstructed miles and intersections improved to increase safety and capacity measures are project specific and are subject to fluctuations as a result of factors such as changes in scheduling, completions and priorities on a year to year basis.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Highway and Safety Improvement
 \$ -26,400 —to continue current program. This funding is in combination with Act 26 of 1991 revenues for 1995-96 of \$50.013 million (17 percent of 55 mills) for highway construction/reconstruction. With the completion of the Commonwealth's Interstate Highway System in 1991, new construction has shifted to highway projects that will spur economic development. Key projects in 1995-96 include construction of the Lackawanna Valley Industrial Highway in Lackawanna County, construction of a new four-lane divided highway to connect I-81 and the Carlisle Pike in Cumberland County, widening of US 11/15 in Perry County, widening of PA 36 between Leannersville and Roaring Springs in Blair County, relocation of US 15 between Sebring and Bloss Mountain in Tioga County, relocation of the Exton Bypass (US 30) from US 202 to the Downingtown Bypass in Chester County, reconstruction of Delaware Avenue in Philadelphia County, construction of the Airport Parkway/Robinson Towne Center Interchange in Allegheny County, restoration of PA 33 in Northampton County from the PA 512 interchange to the Monroe County line, construction of Park Road in Berks County, construction of a four-lane divided highway to connect I-176 and the Pennsylvania Turnpike in Berks County, restoration of sections of US 219 in McKean County including construction of turning and truck climbing lanes, extension of Rose

Street in Indiana County and widening of PA 18 in Mercer County.

Another priority is the reconstruction of the Interstate Highway System. During 1995-96, key projects in this area will include 7.5 miles of I-83 in York County, 39 miles of I-84 in Pike County, 6.6 miles of I-90 in Erie County, 6.2 miles of I-70 in Washington County, 2.6 miles of I-80 in Northumberland County, 5.4 miles of I-83 in Dauphin County, 4.0 miles of I-79 in Greene County and 12.4 miles of I-95 in Bucks County.

Metric Conversion
 \$ 2,600 —to continue current program.

Bridge Restricted Revenue
 —Major bridge projects started or underway from the Bridge Restricted Revenue Account and Act 26 of 1991 revenues during 1995-96 include the Wilson Shute Bridge in Crawford County, the Castanea Bridge in Clinton County, the Danville Bridge in Montour County, the Lackawaxen Bridge in Wayne County, the Rausch Creek Bridges in Schuylkill County, the Walnut Street Bridge in Montgomery County, the Chester Avenue Bridge in Philadelphia County, the Stony Brook Bridge in York County, the Maple Avenue Bridge in Cambria County, the Blairsville Bridge in Indiana County, the Allegheny Valley Expressway Bridges in Allegheny County and the Confluence Bridge in Fayette County.

TRANSPORTATION

Program State Highway and Bridge Construction/Reconstruction (continued)

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
MOTOR LICENSE FUND:							
Highway and Safety Improvement	\$ 135,000	\$ 171,400	\$ 145,000	\$ 135,000	\$ 140,000	\$ 145,000	\$ 150,000
Metric Conversion	582	5,000	7,600	3,400	.....	.....	.....
TOTAL MOTOR LICENSE FUND	<u>\$ 135,582</u>	<u>\$ 176,400</u>	<u>\$ 152,600</u>	<u>\$ 138,400</u>	<u>\$ 140,000</u>	<u>\$ 145,000</u>	<u>\$ 150,000</u>

TRANSPORTATION

PROGRAM OBJECTIVE: To provide general routine maintenance, betterments and resurfacing necessary to preserve the quality of existing State-administered roads and bridges and to provide prompt winter services to enable safe passage of vehicles.

Program: State Highway and Bridge Maintenance

Pennsylvania, with one of the largest State maintained highway systems in the nation and one which is subjected to severe winters, is faced with significant and challenging maintenance demands.

Work carried out by the department or by contract includes patching, surface treatment, resurfacing, restabilization and minor betterment projects, plus repair of bridges, tunnels and minor storm damage. The department places a heavy emphasis on durable resurfacing of high-volume primary highways, the majority of which serve interstate and regional commerce, intermodal transportation facilities and major population centers. Snow and ice control services are performed on all State administered highways. Safety improvements such as skid resistant pavement applications, left turn lanes, intersection sight improvements, shoulder improvements, guiderail updates and curve banking adjustments are incorporated into other routine maintenance and betterment work. Other important maintenance activities, not involved directly with the roadway surface itself, include pipe replacement, ditch cleaning, manufacturing and repairing highway signs, repainting pavement markings, shoulder cutting/gradings and repairing or replacing such safety features as traffic signals, guiderails, median barriers and right-of-way fences.

The department issues special permits to truck operators in the case of weight restrictions or special operating restrictions on certain highways

and bridges. By issuing these permits the department is able to facilitate economic growth in the Commonwealth without adversely affecting the structural integrity of the highways and bridges or the safe and convenient passage of traffic.

The Motor Carrier Safety Enforcement Program is credited with reducing maintenance costs for highways and bridges and increasing the public safety by minimizing the number of dangerously overloaded trucks. The department continues to provide state-of-the-art training and equipment technology to maximize enforcement efficiency. At the same time, delays to motor carriers have been minimized through the use of weigh-in-motion technology.

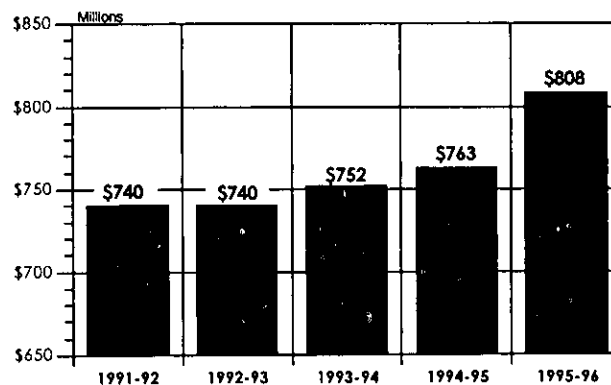
The accident analysis program uses computer programs to identify those highway locations which have experienced statistically more accidents than similar roads with similar traffic volumes. Another program identifies locations that have had an inordinate number of accidents in which vehicles ran off the road or hit fixed objects. These programs allow for the ranking of high-accident locations and provide a systematic means of selecting the highest priority sites for maintenance and reconstruction.

Act 26 of 1991 provides additional State highway and bridge maintenance funds through a 55 mill Oil Company Franchise Tax; 42 percent is specifically dedicated for highway maintenance.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Miles of State maintained highways	40,621	40,549	40,446	40,355	40,281	40,221	40,186
Miles of State maintained highways improved:							
Resurfaced	287	155	197	150	125	100	75
Surface treated	6,267	5,991	5,956	5,529	5,196	4,593	4,391
Total	6,554	6,146	6,153	5,679	5,321	4,693	4,466
Truck weight and safety enforcement:							
Trucks weighed	482,764	468,000	468,000	468,000	468,000	468,000	468,000
Weight violations	4,832	4,700	4,800	4,800	4,800	4,800	4,800
Trucks inspected	16,667	16,000	16,000	16,000	16,000	16,000	16,000
Safety violations	32,955	33,000	33,000	33,000	33,000	33,000	33,000

State Highway and Bridge Maintenance*



* (Includes Restricted Excise Funds)

TRANSPORTATION

Program: State Highway and Bridge Maintenance (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	GENERAL FUND:		
	Welcome Centers		Secondary Roads—Maintenance and Resurfacing
\$ 120	—to open new Welcome Centers in Washington and Pike Counties.	\$ 739	—to continue current program.
19	—to continue current program.		
\$ 139	Appropriation Increase	\$ -19,671	Highway Maintenance Supplemental
			—to continue current program.
	MOTOR LICENSE FUND:		
	Highway Maintenance		
\$ 57,757	—to continue current program.		

Reinvestment - Facilities is recommended at the current year level.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Welcome Centers	\$ 896	\$ 1,104	\$ 1,243	\$ 1,285	\$ 1,335	\$ 1,387	\$ 1,441
MOTOR LICENSE FUND:							
Highway Maintenance	\$ 538,947	\$ 564,192	\$ 621,949	\$ 580,017	\$ 576,878	\$ 562,930	\$ 568,283
Secondary Roads — Maintenance and Resurfacing	55,452	56,305	57,044	57,383	57,722	58,070	58,417
Highway Maintenance Supplemental	37,575	24,678	5,007	17,600	18,400	24,000	22,300
Reinvestment — Facilities	2,999	6,000	6,000	5,500	5,500	5,250	5,250
TOTAL MOTOR LICENSE FUND.....	\$ 634,973	\$ 651,175	\$ 690,000	\$ 660,500	\$ 658,500	\$ 650,250	\$ 654,250

TRANSPORTATION

PROGRAM OBJECTIVE: To assist local governments in the maintenance and construction of their portion of the total highway and bridge system.

Program: Local Highway and Bridge Assistance

The Commonwealth provides a number of programs to assist municipalities in the maintenance and construction of their highway and bridge systems.

Legislatively mandated programs earmark a portion of Pennsylvania's liquid fuels tax and oil franchise tax for local governments to use on their roads. The first one-half cent of the twelve cent gallonage tax is deposited directly into the Liquid Fuels Tax Fund and apportioned to the 67 counties. Of the remaining eleven and one-half cent fuels tax, twenty percent is distributed from the Motor License Fund to 2,572 municipalities. Also included in the distribution to municipalities is (a) 35 mills of the first 60 mill portion of the oil franchise tax and (b) 12 percent of the 55 mill portion of the oil franchise tax as provided by Act 26 of 1991. In addition, in 1980 the General Assembly established an annual appropriation of \$5 million to be returned to local governments for further highway improvements.

Act 32 of 1983 established a local highway turnback program by authorizing the establishment of a separate restricted revenue account within the Motor License Fund. Funding for this program currently consists of three mills of the oil franchise tax. Funds deposited into this account are used for restoration work to upgrade functionally local roads to acceptable standards and to provide annual maintenance payments in the amount of \$2,500 per mile. Since inception of the program in 1983

more than 3,800 miles of these roads have been returned to the Commonwealth's municipalities.

The General Assembly authorized improvements to local bridges through the Highway Bridge Capital Act of 1982 and subsequent amendments. As with the State bridges contained in these capital acts, the improvements are funded through annual registration fees for Commonwealth registered vehicles having a registered weight in excess of 26,000 pounds and a six cent per gallon tax on motor fuel used by motor carriers in the operation of their commercial vehicles on highways within the Commonwealth.

In 1986 the General Assembly authorized a separate appropriation for local bridge inspection work. This program is being administered by the department to assist local governments in meeting the requirements of National Bridge Inspection Standards as mandated by Federal Law. This action prevents the potential loss of Federal aid for non-compliance of standards as well as minimizing future tort liability in this area. Given the benefits to be realized by local governments, the General Assembly also authorized that State funds needed to support this program be deducted from their liquid fuels tax allocation.

Act 26 of 1991 also provides additional local bridge assistance funds through one percent of the 55 mill Oil Company Franchise Tax.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Miles of highway locally administered:							
Total	72,121	72,501	72,893	73,276	73,665	74,040	74,396
Percent of all highways in the Commonwealth	64.0%	64.1%	64.3%	64.5%	64.6%	64.8%	64.9%
Miles of local highways improved	1,963	1,725	1,750	1,750	1,750	1,750	1,750
Local bridges:							
Total (Greater than 20 feet)	6,364	6,370	6,375	6,380	6,385	6,390	6,395
Brought up to standard through State Bridge Program	58	80	90	70	75	80	80

The miles of local highways improved is higher than shown in last year's budget to fully reflect the impact of additional revenues provided by Act 26 of 1991 and improvements to the process of certifying miles improved which primarily affected 1993-94.

The local bridges brought up to standard through State Bridge Program is lower than projected in last year's budget due to revisions based on actual performance.

TRANSPORTATION

Program: Local Highway and Bridge Assistance (continued)

Program Recommendations: _____

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Local Road Maintenance and Construction Payments</p> <p>\$ 3,174 —to continue program based on current year estimated revenue collections.</p>	<p>Local Bridge Inspection</p> <p>\$ 350 —to continue current program.</p>
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Supplemental Local Road Maintenance and Construction Payments is recommended at the current year level.

Appropriations within this Program: _____

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
MOTOR LICENSE FUND:							
Local Road Maintenance and Construction Payments	\$ 159,685	\$ 164,332	\$ 167,506	\$ 166,081	\$ 167,077	\$ 168,075	\$ 169,097
Supplemental Local Road Maintenance and Construction Payments	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Local Bridge Inspection	625	425	775	500	600	500	600
TOTAL MOTOR LICENSE FUND	\$ 165,310	\$ 169,757	\$ 173,281	\$ 171,581	\$ 172,677	\$ 173,575	\$ 174,697

TRANSPORTATION

PROGRAM OBJECTIVE: To provide frequent, fast, inexpensive transit services between residential neighborhoods and employment centers at a level sufficient to alleviate prevailing pressures on urban road systems caused by congestion and lack of parking facilities and to provide transit service that will increase the mobility of rural Pennsylvanians.

Program: Mass Transportation

Act 26 of 1991 made numerous revisions to the Pennsylvania Urban Mass Transportation Law including the establishment of the Public Transportation Assistance Fund. This fund provides a dedicated source of revenue to the Commonwealth's transit providers and can be used for capital replacement and asset maintenance. The new source of transit revenue is in addition to the mass transit assistance program funded out of the General Fund. The General Fund program is based on fixed percentages of the total amount appropriated annually by the General Assembly. These percentages take into consideration historical funding, farebox revenues and vehicle miles. Under this formula three classes of urban transit entities have been established based on the number of vehicles operated during peak hours. A local or private funding commitment is required in an amount not less than one-third of the total

State grant. Each system is required to adopt a specific series of service standards and performance evaluation measures. The Commonwealth, along with Federal and local governments, provides grants to the State's twenty-one urban transit systems.

Until 1995-96, small urban and rural transit entities had been funded under the authority of Act 10 of 1976. Current state authorizing legislation for mass transportation assistance, Act 26 of 1991, provides for a fourth class of transit entity to include rural and small urban transit entities once mass transportation assistance has reached a "trigger" amount. Beginning with the 1995-96 budget year, rural and small urban entities will be funded from the Mass Transportation Assistance Appropriation since the "trigger" amount has now been exceeded.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Passengers carried by State-assisted operators (millions annually)	307.0	317.4	320.5	323.8	327.1	330.4	333.7
Passengers per vehicle hour	30.3	30.8	31.0	31.1	31.3	31.5	31.6
Percentage share of average income of mass transit trips:							
From passenger	42.0%	42.2%	42.8%	43.4%	44.1%	44.7%	45.4%
From Commonwealth	41.5%	40.3%	39.2%	38.1%	36.9%	35.9%	34.9%
From Federal Government	6.4%	5.6%	5.4%	5.3%	5.2%	5.1%	4.9%
From local government	10.1%	11.9%	12.6%	13.2%	13.8%	14.3%	14.8%

The passengers carried by State-assisted operators is lower than projected in last year's budget for 1993-94 due to the severity of that year's winter.

For comparability, all program measures for all years have been restated to include rural and small urban transit entities.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND:		Mass Transportation Assistance
Rail Safety Inspection	\$ 7,417	—to continue current program.
\$ 10 —to continue current program.		

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Rail Safety Inspection	\$ 336	\$ 346	\$ 356	\$ 368	\$ 382	\$ 397	\$ 412
Mass Transportation Assistance	240,112	247,246	254,663	254,663	254,663	254,663	254,663
TOTAL GENERAL FUND	\$ 240,448	\$ 247,592	\$ 255,019	\$ 255,031	\$ 255,045	\$ 255,060	\$ 255,075

TRANSPORTATION

PROGRAM OBJECTIVE: To facilitate the development of improved rail passenger, cargo service and intercity bus service between major urban areas of the Commonwealth, thereby providing relief for over utilized intercity highway and air systems.

Program: Intercity Rail and Bus Transportation

Commonwealth activities involve three separate intercity transportation programs: intercity bus service of the nature operated by Greyhound and Trailways; intercity rail passenger service operated by Amtrak; and rail freight service of importance to local shippers on the State's Rail Branchline System.

The Commonwealth's intercity bus program supports systems where without operating assistance essential service would be terminated. It is estimated that about 300,000 passengers will utilize Commonwealth subsidized intercity bus services in 1995-96. As private operators propose termination of such services, the Department of Transportation will continue to evaluate the economic and social impacts of service termination and the merits of public subsidy. Federal funds are also available to support intercity bus operations and supplement the existing State sponsored program.

Intercity rail passenger service in Pennsylvania, as distinguished from local or regional commuter service, is presently provided by the National Railroad Passenger Corporation (Amtrak). The majority of the service is operated as part of Amtrak's National System without financial assistance from the Commonwealth. Because service frequency has been insufficient to meet Pennsylvania's needs, the Department has contracted with Amtrak to provide additional service to supplement Amtrak's national system schedule. This supplemental service is provided on the Philadelphia/Harrisburg corridor.

The Commonwealth's rail freight network provides a competitive cost advantage for business and industry that depend upon cost effective transportation of bulk commodities.

In reaction to the pending abandonments of former Penn Central, Erie/Lackawanna and Lehigh Valley rail lines, Pennsylvania became actively involved in a rail freight assistance program in the late 1970's. With financial assistance from the Federal Railroad Administration, the Department of Transportation purchased 155 miles of track that was

not retained in the Conrail system. Additional lines were saved from abandonment through acquisition by the private sector or local government with financial assistance from the Federal Government. While the Federal Government initially provided operating subsidies for lines that were not included in the Conrail System, the Federal operating subsidy program was terminated after 1981.

The Commonwealth continues to own 103 miles of rail line that serve 45 industries. The Commonwealth funds one-half of the operating deficit, with the non-State share usually coming from the affected shippers. Additional assistance is provided in the form of program maintenance grants for which the State provides 80 percent of the project funding.

Another component of the Commonwealth's rail freight program is assistance for accelerated maintenance and capital projects on non-State-owned lines. The Accelerated Maintenance Program was established in 1982 in response to a substantial, expedited abandonment program undertaken by Conrail in accordance with provisions of the Northeast Rail Service Act (NERSA) of 1981. NERSA allowed Conrail to rid itself of unprofitable lines in an unappealable procedure, as one of a number of ways for the Conrail system to achieve profitability. Under this Commonwealth program funding is provided for basic track rehabilitation and other infrastructure improvements.

The State share for the larger capital projects comes from bond funds and generally represents 50 percent of the total project cost. Accelerated maintenance projects are funded from current revenues through the Rail Freight Assistance appropriation. Transportation generally provides 80 percent of the funding for accelerated maintenance projects.

Previously, small urban and rural transit entities were administered under this program. Effective with the 1995-96 fiscal year, this program will be the responsibility of the Mass Transportation Program.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Intercity Bus:							
Passengers handled	259,635	300,000	301,500	303,000	304,515	306,000	307,530
Subsidy per bus mile	\$0.66	\$0.67	\$0.67	\$0.67	\$0.67	\$0.67	\$0.67
Intercity Rail:							
Passengers handled	47,370	71,055	71,410	71,767	72,126	72,487	72,849
Subsidy per passenger mile	\$0.25	\$0.32	\$0.37	\$0.38	\$0.39	\$0.40	\$0.41
Rail Freight:							
Miles of rail lines							
State assisted	300	300	273	273	273	273	273
State owned	112	103	103	103	103	103	103

TRANSPORTATION

Program: Rural and Intercity Rail and Bus Transportation (continued)

Program Measures: (continued)

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Miles of rail lines							
State assisted	300	300	273	273	273	273	273
State owned	112	103	103	103	103	103	103
Miles of rail lines rehabilitated:							
Federal/local assistance program	15	40	20	.....	.....	.....	.....
Accelerated Rail Maintenance Assistance Program	168	197	170	170	170	170	170

Intercity bus and rail measures are new measures replacing those reflected in last year's budget since they more accurately reflect program performance.

Intercity rail measures for the actual year are lower than previously estimated due to a restructuring of rail service which did not begin until November 1993.

The rail freight miles of rail lines State assisted and miles of rail lines rehabilitated: accelerated rail maintenance assistance program measures are higher than in last year's budget due to a planned increase in the number of projects.

For miles of rail lines rehabilitated, Federal/local assistance program, no Federal funding is anticipated for 1995-96 and subsequent years.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND
Rail Freight Assistance
 \$ 1,000 —to increase accelerated maintenance program.

Intercity Rail and Bus Transportation is recommended at the current year level.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Intercity Rail and Bus Transportation	\$ 1,888	\$ 1,888	\$ 1,888	\$ 1,888	\$ 1,888	\$ 1,888	\$ 1,888
Rail Freight Assistance	3,600	2,600	3,600	3,600	3,600	3,600	3,600
TOTAL GENERAL FUND	\$ 5,488	\$ 4,488	\$ 5,488	\$ 5,488	\$ 5,488	\$ 5,488	\$ 5,488

TRANSPORTATION

PROGRAM OBJECTIVE: To promote the development of a system of airport facilities adequate to meet the passenger and cargo needs of the Commonwealth's citizens.

Program: Air Transportation

Aviation plays a major role in the movement of passengers and cargo throughout the Commonwealth. With over 817 landing areas, Pennsylvania is fourth nationally in both the number of airports and in landing facilities per square mile. All airline service airports in Pennsylvania are operated by local governments or authorities with the exception of the Harrisburg International Airport which is owned by the Commonwealth. In addition to facilitating the movement of people and goods, air transportation facilities bring substantial economic benefits to the State directly through air transportation or related jobs and indirectly through additional incentives to industry to locate and conduct business in Pennsylvania. The department provides programs to improve the safety and effectiveness of the Commonwealth's aviation network. These program activities include the highway directional sign program; the program to place high visibility markers on power lines near runways; maintenance of 40 aviation weather information systems throughout the State; and an airport inspection and licensing program.

The department also administers grant programs which are funded

from the Aviation Restricted Revenue Account. These grant programs include:

- An airport development grant program for public use airports. The amount of the State grant is dependent on the size of the project and economic viability.
- A business airport grant program to provide project improvement funding for small privately-owned public airports.
- A runway rehabilitation program for public airports. The Commonwealth provides between 50% and 75% of total project costs.
- A real estate tax rebate program for public airports which is funded exclusively from the Statewide aviation fuel tax.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Harrisburg International Airport (HIA):							
Passengers handled	1,332,255	1,398,000	1,465,000	1,533,000	1,602,000	1,672,000	1,743,000
Flights handled	81,621	84,750	87,950	91,300	94,750	98,350	102,100
Tons of cargo handled	34,183	35,550	37,000	38,450	40,000	41,600	43,250
Airports receiving State grants:							
Runway rehabilitation grants	14	14	16	16	16	16	16
Airport development grants	35	36	37	38	38	38	38
Business airport grants	34	22	22	23	24	24	25

The passengers and flights handled at HIA are lower than anticipated versus data shown in last year's budget due to a decrease in demand.

The tons of cargo handled data is higher than reflected in last year's budget document due to higher than expected demand.

Program Recommendations:

This budget recommends continuing Business Airport Grants at the \$2 million level and the Airport Development Grants at the \$4 million level. Both of these amounts are appropriated from the Aviation Restricted Revenue Account.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Civil Air Patrol	\$ 95	.....	.....	.....	.....	.....	.....

TRANSPORTATION

PROGRAM OBJECTIVE: To minimize traffic accidents attributable to driver error and mechanically defective vehicles and to promote highway safety programs.

Program: Safety Administration and Licensing

A primary responsibility of the department, within the Safety Administration and Licensing Program, is to process applications and collect fees for all vehicle registrations and operator licenses. Last year, over 9 million vehicles were registered under Pennsylvania's annual renewal cycle. This total included over 169,000 heavy vehicles that were registered at greater than 17,000 pounds and nearly 103,000 trailers registered at greater than 10,000 pounds. In 1993-94, 8 million operator licenses were in effect. Actual processing of driver licenses occurs over a multi-year period under the Commonwealth's four year renewal cycle.

The testing, inspection and revocation aspects of operator and vehicular licensing activities within this program provide many opportunities to enforce safety standards. Perhaps the most basic of these is the operator license. The driver testing program is designed to screen out applicants with insufficient driving knowledge or skills as well as to identify those with mental or physical disabilities. Prior to January 1993, the State Police performed examinations with the Department of Transportation issuing the licenses and maintaining records. In January 1993, the driver examination function was transferred from the State Police to the Department of Transportation and added to the department's existing responsibilities for issuing licenses and maintaining records. In compliance with the Federal Commercial Motor Vehicle Safety Act of 1986, commercial and bus operators receive a specialized written and driving test.

The objective of the driver point system is to discourage licensed drivers from violating traffic laws. Illegal actions by motorists, particularly drunk driving, constitute a significant percentage of the accidents in which driver error is the principal causal factor. The department is empowered to suspend or revoke the licenses of motor vehicle drivers

who have reached the 11 point limit or who have committed certain severe traffic violations.

The safety inspection program for the Commonwealth's 9.2 million motor vehicles is intended to minimize traffic accidents due to mechanical failure. The department licenses inspection stations and trains and licenses vehicle inspectors while maintaining all necessary records. The State Police periodically check inspection stations and the work of mechanics to insure compliance with approved safety standards.

Under the requirements of the Federal Clean Air Act, the Commonwealth began a vehicle emission inspection program in 1984 to reduce carbon monoxide and hydrocarbon pollutants. This air quality program covered selected portions of the Pittsburgh and Allentown-Bethlehem metropolitan areas as well as the five county Philadelphia region. Under the Clean Air Act Amendments of 1990, the Commonwealth was given until January 1, 1995 to expand the emission inspection program to 14 additional counties. In November of 1994, the State Legislature passed Act 95 which discontinued further development or implementation of the centralized plan intended to comply with the Clean Air Act Amendments of 1990. Act 95 instead required the Department of Transportation to notify the Federal Environmental Protection Agency that the Commonwealth was developing an alternative plan for which it would be seeking approval. Act 95 further required that this plan be either a decentralized or hybrid plan and be submitted to the Environmental Protection Agency by March 1, 1995. The department licenses inspection stations, trains and vehicle inspection mechanics and periodically checks inspection stations, records and work of mechanics to assure compliance with approved emission program requirements.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Vehicles inspected:							
Safety inspections	8,591,000	8,677,000	8,764,000	8,851,000	8,940,000	9,029,000	9,120,000
Emission inspections	3,136,000	3,200,000	3,200,000	2,960,000	2,990,000	3,020,000	3,050,000
Registrations:							
New	1,437,000	1,451,000	1,466,000	1,481,000	1,495,000	1,510,000	1,525,000
Renewed	7,818,000	7,896,000	7,975,000	8,055,000	8,135,000	8,217,000	8,299,000
Licensed drivers:							
New	235,000	235,000	235,000	235,000	235,000	235,000	235,000
Renewed	1,909,000	1,879,000	1,950,000	2,250,000	1,970,000	1,910,000	1,960,000
New commercial drivers licensed	16,403	17,500	17,500	17,500	17,500	17,500	17,500
Photo identification cards issued (non-driver photo)	71,708	75,000	75,000	75,000	75,000	75,000	75,000

The licensed drivers renewed measure reflects a cyclical trend due to the introduction of the four year drivers license.

The licensed drivers: new commercial drivers licensed measure is lower than in last year's budget based on projections reflecting the actual number of licensed drivers.

The photo identification cards issued measure is higher than in last year's budget due to increased number and accessibility of photo license centers as well as an increase in demand.

TRANSPORTATION

Program: Safety Administration and Licensing (continued)

Program Recommendations: _____

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>GENERAL FUND: Voter Registration \$ 352 —to implement program. Enabling legislation will be required to allow expenditures for this program.</p>	<p>MOTOR LICENSE FUND: Safety Administration and Licensing \$ 1,491 —to continue current program.</p>
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Vehicle Sales Tax Collection is recommended at the current year level.

Appropriations within this Program: _____

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Vehicle Sales Tax Collections	\$ 1,706	\$ 1,706	\$ 1,706	\$ 1,706	\$ 1,706	\$ 1,706	\$ 1,706
Voter Registration .....	.....	740	1,092	1,129	1,173	1,219	1,267
TOTAL GENERAL FUND	<u>\$ 1,706</u>	<u>\$ 2,446</u>	<u>\$ 2,798</u>	<u>\$ 2,835</u>	<u>\$ 2,879</u>	<u>\$ 2,925</u>	<u>\$ 2,973</u>
MOTOR LICENSE FUND							
Safety Administration and Licensing	<u>\$ 71,562</u>	<u>\$ 78,448</u>	<u>\$ 79,939</u>	<u>\$ 83,217</u>	<u>\$ 86,046</u>	<u>\$ 89,316</u>	<u>\$ 92,799</u>

TRANSPORTATION

PROGRAM OBJECTIVE: To provide transportation services to older Pennsylvanians thereby increasing their ability to more fully participate in community life.

Program: Older Pennsylvanians Transit

The Commonwealth's older Pennsylvanians have benefited from State Lottery proceeds since 1973 with the implementation of the Free Transit Program. Under this program older Pennsylvanians are eligible for free rides on participating local fixed route operations during off-peak hours on weekdays and all day on weekends and holidays. In July 1980, the free service was extended to commuter lines.

The Shared Ride Program for older Pennsylvanians authorized by Act 101 of 1980, as amended by Act 36 of 1991, permits citizens 65 years of age or older to ride on shared-ride services and pay only 15 percent of the fare. The State Lottery Fund reimburses shared ride transit operators the remaining 85 percent of the shared ride fare.

The Free Transit Program authorized by Act 101 of 1980 and Act 36 of 1991 and the Shared Ride Program recognize the limited availability of private transportation for older Pennsylvanians and their heavy reliance upon public transportation facilities. They further recognize that many retired persons must live within a fixed and limited income and cannot afford to use public transit as often as needed. This program increases the mobility of the Commonwealth's citizens 65 years of age and older.

Program Measures:

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Free transit trips	55,949,349	57,643,000	58,679,000	59,344,000	59,937,000	60,536,000	61,142,000
Trips on State assisted shared ride vehicles	6,324,705	6,996,000	7,230,000	7,340,000	7,450,000	7,560,000	7,670,000
Cost to the Commonwealth per trip:							
Free Transit	\$1.35	\$1.35	\$1.39	\$1.41	\$1.42	\$1.43	\$1.46
State assisted shared ride vehicles	\$7.05	\$7.44	\$7.76	\$8.15	\$8.56	\$8.99	\$9.44

The free transit trips and trips on State assisted shared ride vehicles measures are lower than in the prior years budget based on projections reflecting actual ridership.

The cost to the Commonwealth per trip for free transit includes Fixed Route Transit and Older Pennsylvanians Free Transit funding.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

LOTTERY FUND	Older Pennsylvanians Shared Rides
Older Pennsylvanians Free Transit	—to continue current program.
\$ 618 —to continue current program.	\$ 1,175

Fixed Route Transit is recommended at the current year level.

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Fixed Route Transit	<u>\$ 25,090</u>	<u>\$ 25,090</u>	<u>\$ 25,090</u>	<u>\$ 25,090</u>	<u>\$ 25,090</u>	<u>\$ 25,090</u>	<u>\$ 25,090</u>
LOTTERY FUND:							
Older Pennsylvanians Free Transit	\$ 56,520	\$ 56,100	\$ 56,718	\$ 57,625	\$ 58,547	\$ 59,484	\$ 60,436
Older Pennsylvanians Shared Rides	49,394	54,925	56,100	60,027	64,228	68,724	73,535
TOTAL LOTTERY FUND	<u>\$ 105,914</u>	<u>\$ 111,025</u>	<u>\$ 112,818</u>	<u>\$ 117,652</u>	<u>\$ 122,775</u>	<u>\$ 128,208</u>	<u>\$ 133,971</u>



Commonwealth of Pennsylvania

Legislature

The General Assembly of Pennsylvania formulates and enacts the public policy of the Commonwealth. Through legislation and resolution, it defines the functions of the State Government, provides for revenue for the Commonwealth and appropriates money for the operation of State agencies and other purposes.

The General Assembly is composed of two bodies — the Senate and the House of Representatives. Its sessions begin on the first Tuesday of each year unless otherwise convened by the proclamation of the Governor.

Summary by Fund and Appropriation

GENERAL FUND	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL GOVERNMENT:			
SENATE:			
Fifty Senators	\$ 3,550	\$ 3,550	\$ 3,674
Employees of Senate President	240	248	257
Employees of Chief Clerk	3,394	4,600	4,761
Salaried Officers and Employees	5,362	5,550	5,744
Chief Clerk and Legislative Journal	1,590	1,590	1,646
Subtotal — Salaries and Postage	\$ 14,136	\$ 15,538	\$ 16,082
Contingent Expenses:			
President	\$ 5	\$ 5	\$ 5
President Pro Tempore	20	20	20
Floor Leader (D)	7	7	7
Floor Leader (R)	7	7	7
Whip (D)	6	6	6
Whip (R)	6	6	6
Chairman of the Caucus (D)	3	3	3
Chairman of the Caucus (R)	3	3	3
Secretary of the Caucus (D)	3	3	3
Secretary of the Caucus (R)	3	3	3
Chairman of the Appropriations Committee (D)	6	6	6
Chairman of the Appropriations Committee (R)	6	6	6
Chairman of the Policy Committee (D)	2	2	2
Chairman of the Policy Committee (R)	2	2	2
Caucus Administrator (D)	2	2	2
Caucus Administrator (R)	2	2	2
Subtotal — Contingent Expenses	\$ 83	\$ 83	\$ 83
Miscellaneous Expenses:			
Incidental Expense	\$ 1,411	\$ 1,250	\$ 1,250
Committee on Appropriations (D)	1,639	2,139	2,214
Committee on Appropriations (R)	1,639	2,139	2,214
Expenses — Senate	575	575	575
Legislative Printing and Expenses	4,075	4,218	4,520
Leadership Operations (D)	5,978	6,978	7,222
Leadership Operations (R)	5,978	6,978	7,222
Legislative Management Committee (D)	4,077	4,620	4,782
Legislative Management Committee (R)	4,077	4,620	4,782
Senate Computer Services	3,863	4,398	....
Computer Services (D) .....	....	....	2,276
Computer Services (R) .....	....	....	2,276
Chamber Communications	1,000	200	50
Impeachment Expenses .....	....	250	....
Subtotal — Miscellaneous Expenses	\$ 34,312	\$ 38,365	\$ 39,383
TOTAL — SENATE	\$ 48,531	\$ 53,986	\$ 55,548
HOUSE OF REPRESENTATIVES:			
Members' Salaries, Speaker's Extra Compensation	\$ 13,627	\$ 13,627	\$ 13,627
House Employees (D)	15,779*	7,526	7,880

* Includes the original appropriation of \$7,179,000 plus \$8,600,000 which was transferred to the House Employees (D) appropriation in December 1993 from two other appropriations: \$6,200,000 from the Special Leadership Account (D) and \$2,400,000 from the Legislative Management Committee (D).

Summary by Fund and Appropriation

GENERAL FUND	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL GOVERNMENT: (continued)			
HOUSE OF REPRESENTATIVES: (continued)			
House Employes (R)	\$ 7,179	\$ 7,526	\$ 7,880
Speaker's Office	644	678	710
Bi-Partisan Committee, Chief Clerk, Comptroller	7,213	7,213	7,213
Subtotal — Salaries	\$ 44,442	\$ 36,570	\$ 37,310
Mileage:			
Representatives, Officers and Employes	\$ 548	\$ 548	\$ 548
Subtotal — Mileage	\$ 548	\$ 548	\$ 548
Postage:			
Chief Clerk and Legislative Journal	\$ 969	\$ 969	\$ 969
Subtotal — Postage	\$ 969	\$ 969	\$ 969
Contingent Expenses:			
Speaker	\$ 20	\$ 20	\$ 20
Chief Clerk	367	532	580
Floor Leader (D)	6	6	6
Floor Leader (R)	6	6	6
Whip (D)	4	4	4
Whip (R)	4	4	4
Chairman — Caucus (D)	3	3	3
Chairman — Caucus (R)	3	3	3
Secretary — Caucus (D)	3	3	3
Secretary — Caucus (R)	3	3	3
Chairman — Appropriations Committee (D)	6	6	6
Chairman — Appropriations Committee (R)	6	6	6
Chairman — Policy Committee (D)	2	2	2
Chairman — Policy Committee (R)	2	2	2
Caucus Administrator (D)	2	2	2
Caucus Administrator (R)	2	2	2
Administrator for Staff (D)	20	20	20
Administrator for Staff (R)	20	20	20
Subtotal — Contingent Expenses	\$ 479	\$ 644	\$ 692
Miscellaneous Expenses:			
Legislative Office for Research Liaison	\$ 432	\$ 445	\$ 458
School for New Members .....	.....	15	.....
Incidental Expenses	5,925	5,925	5,925
Committee on Appropriations (D)	1,340	1,405	1,471
Committee on Appropriations (R)	1,340	1,405	1,471
Expenses — Representatives	1,909	1,909	1,909
Legislative Printing and Expenses	9,500	11,500	11,500
National Legislative Conference — Expenses	190	190	190
Special Leadership Account (D)	1,083 ^a	7,635	7,994
Special Leadership Account (R)	5,283	7,635	7,994

^a A total of \$6,200,000 was transferred from the original appropriation of \$7,283,000 to House Employees (D) in December 1993.

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
<i>HOUSE OF REPRESENTATIVES: (continued)</i>			
Legislative Management Committee (D)	\$ 6,712 ^a	\$ 9,553	\$ 10,002
Legislative Management Committee (R)	9,112	9,553	10,002
Commonwealth Emergency Medical System	34	34	34
Member's Home Office Expenses	1,928	1,928	1,928
Subtotal — Miscellaneous Expenses	\$ 44,788	\$ 59,132	\$ 60,878
TOTAL — HOUSE OF REPRESENTATIVES	\$ 91,226	\$ 97,863	\$ 100,397
LEGISLATIVE MISCELLANEOUS AND COMMISSIONS:			
Legislative Reference Bureau:			
Salaries and Expenses	\$ 4,641	\$ 4,873	\$ 5,117
Contingent Expenses	15	15	15
Printing of Pennsylvania Bulletin and Pennsylvania Code	611	611	611
Subtotal — Legislative Reference Bureau	\$ 5,267	\$ 5,499	\$ 5,743
Legislative Budget and Finance Committee	2,073	2,135	2,020
(A) Legislative Budget and Finance Committee	9	.....	.....
Subtotal — Legislative Budget and Finance Committee	\$ 2,082	\$ 2,135	\$ 2,020
Legislative Data Processing Center	\$ 2,900	\$ 2,900	\$ 2,900
Joint State Government Commission	1,650	1,712	1,712
Local Government Commission	615	644	672
Local Government Codes	53	57	55
Joint Legislative Air and Water Pollution Control Committee	281	284	305
House Flag Purchase	24	24	24
Senate Flag Purchase	24	24	24
Capital Preservation Projects	1,300	10,445	.....
Legislative Audit Advisory Commission	134	140	140
Ethics Commission	861	1,035	1,035
Ethics Commission — Comptroller	60	...	.....
Independent Regulatory Review Commission	1,131	1,235	1,289
Capitol Preservation Committee	202	202	220
Capitol Restoration	100	100	4,086
Colonial History	97	137	137
Commission on Sentencing	500	575	610
Health Care Cost Containment Council	2,894	3,062	3,062
(F) Health Care Research Grant .....	.....	1,000	.....
Center for Rural Pennsylvania	800	925	925
Reapportionment Commission	500	.....	.....
Subtotal — State Funds	\$ 14,126	\$ 23,501	\$ 17,196
Subtotal — Federal Funds .....	.....	1,000	.....
TOTAL — LEGISLATIVE MISCELLANEOUS AND COMMISSIONS	\$ 21,475	\$ 32,135	\$ 24,959
STATE FUNDS	\$ 161,223	\$ 182,984	\$ 180,904
FEDERAL FUNDS .....	.....	1,000	.....
AUGMENTATIONS	9	.....	.....
GENERAL FUND TOTAL	\$ 161,232	\$ 183,984	\$ 180,904

^a A total of \$2,400,000 was transferred from the original appropriation of \$9,112,000 to the House Employees (D) in December 1993.

LEGISLATURE

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94 ACTUAL	1994-95 AVAILABLE	1995-96 BUDGET	1996-97 ESTIMATED	1997-98 ESTIMATED	1998-99 ESTIMATED	1999-00 ESTIMATED
LEGISLATURE							
General Funds.....	\$ 161,223	\$ 182,984	\$ 180,904	\$ 180,904	\$ 180,904	\$ 180,904	\$ 180,904
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	0	1,000	0	0	0	0	0
Other Funds.....	9	0	0	0	0	0	0
TOTAL.....	\$ 161,232	\$ 183,984	\$ 180,904	\$ 180,904	\$ 180,904	\$ 180,904	\$ 180,904
ALL PROGRAMS:							
GENERAL FUND.....	\$ 161,223	\$ 182,984	\$ 180,904	\$ 180,904	\$ 180,904	\$ 180,904	\$ 180,904
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	1,000	0	0	0	0	0
OTHER FUNDS.....	9	0	0	0	0	0	0
TOTAL.....	\$ 161,232	\$ 183,984	\$ 180,904	\$ 180,904	\$ 180,904	\$ 180,904	\$ 180,904

LEGISLATURE

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.

There is a continued effort on the part of the House and Senate to acquire more adequate professional staff to provide more useful analytical studies for use in debating Commonwealth issues.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Legislature
\$ -2,080 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
TOTAL GENERAL FUND	<u>\$ 161,223</u>	<u>\$ 182,984</u>	<u>\$ 180,904</u>	<u>\$ 180,904</u>	<u>\$ 180,904</u>	<u>\$ 180,904</u>	<u>\$ 180,904</u>



Commonwealth of Pennsylvania

Judiciary

The objective of the judicial system of the Commonwealth is to provide citizens with prompt and equitable justice under the law.

The court system includes the Supreme Court, Superior Court, Commonwealth Court, Courts of Common Pleas and Community Courts including District Justices, Philadelphia Municipal Court and the Philadelphia Traffic Court.

JUDICIARY

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
GENERAL GOVERNMENT:			
SUPREME COURT:			
Supreme Court	\$ 8,002	\$ 8,093	\$ 8,861
(A) Filing Fees	462	431	431
Justice Expenses	180	180	180
Office of Legal Systems	400	425	1,800
Civil Procedural Rules Committee	295	309	314
Criminal Procedural Rules Committee	286	300	314
State Board of Law Examiners	22	....	....
Judicial Conduct Board	529 ^a	825	863
Court of Judicial Discipline	216 ^b	384	405
Domestic Relations Committee	137	139	144
Court Administrator	3,962	4,277	4,408
(A) Law Student Fees	1,709 ^c	1,319	1,300
(A) Miscellaneous	31	3	3
(R) Judicial Computer System	11,380	13,000	13,000
Subtotal — State Funds	\$ 14,029	\$ 14,932	\$ 17,289
Subtotal — Augmentations	2,202	1,753	1,734
Subtotal — Restricted Revenue	11,380	13,000	13,000
Total — Supreme Court	\$ 27,611	\$ 29,685	\$ 32,023
SUPERIOR COURT:			
Superior Court	\$ 14,590 ^d	\$ 14,658	\$ 16,125
(A) Filing Fees	263	260	250
Justice Expenses	237 ^d	237	237
Subtotal — State Funds	\$ 14,827	\$ 14,895	\$ 16,362
Subtotal — Augmentations	263	260	250
Total — Superior Court	\$ 15,090	\$ 15,155	\$ 16,612
COMMONWEALTH COURT:			
Commonwealth Court	\$ 9,158	\$ 9,793	\$ 10,606
(A) Filing Fees	253	200	200
Justice Expenses	68	143	143
(A) Law Student Fees	75 ^c	....	....
Subtotal — State Funds	\$ 9,226	\$ 9,936	\$ 10,749
Subtotal — Augmentations	328	200	200
Total — Commonwealth Court	\$ 9,554	\$ 10,136	\$ 10,949
COURTS OF COMMON PLEAS:			
Courts of Common Pleas	\$ 42,754	\$ 44,145	\$ 46,589
Senior Judges	2,759	2,839	2,954
Judicial Education	419	435	456
Total — Courts of Common Pleas	\$ 45,932	\$ 47,419	\$ 49,999

^a Actually appropriated as \$95,000 for the Judicial Conduct Board and as part of \$650,000 for the Judicial Inquiry and Review Board.

^b Actually appropriated as part of the \$650,000 for the Judicial Inquiry and Review Board.

^c Judiciary certified in December 1993 that \$75,000 of law student fees were available for transfer as an augmentation to the Justice Expenses appropriation for Commonwealth Court.

^d A total of \$124,000 was transferred from the Superior Court appropriation to the Justice Expenses appropriation for the Superior Court in January 1994.

JUDICIARY

Summary by Fund and Appropriation

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Budget
GENERAL FUND			
<i>GENERAL GOVERNMENT: (continued)</i>			
COMMUNITY COURTS:			
District Justices	\$ 35,012	\$ 38,461*	\$ 39,923
District Justice Education	436	447	479
(A) Registration Fees	52	20	13
Subtotal — State Funds	\$ 35,448	\$ 38,908	\$ 40,402
Subtotal — Augmentations	52	20	13
Total — Community Courts	\$ 35,500	\$ 38,928	\$ 40,415
PHILADELPHIA COURTS:			
Traffic Court	\$ 461	\$ 507	\$ 532
Municipal Court	3,105	3,352	3,519
Law Clerks	39	39	39
Domestic Violence	185	185	200
Total — Philadelphia Courts	\$ 3,790	\$ 4,083	\$ 4,290
GENERAL GOVERNMENT TOTALS:			
Total — State Funds	\$ 123,252	\$ 130,173	\$ 139,091
Total — Augmentations	2,845	2,233	2,197
Total — Restricted Revenue	11,380	13,000	13,000
Total — General Government	\$ 137,477	\$ 145,406	\$ 154,288
GRANTS AND SUBSIDIES:			
Reimbursement of County Costs:			
County Courts	\$ 29,071	\$ 29,071	\$ 29,071
Jurors	1,469	1,469	1,469
Total — Grants and Subsidies	\$ 30,540	\$ 30,540	\$ 30,540
STATE FUNDS	\$ 153,792	\$ 160,713	\$ 169,631
AUGMENTATIONS	2,845	2,233	2,197
RESTRICTED REVENUE	11,380	13,000	13,000
GENERAL FUND TOTAL	\$ 168,017	\$ 175,946	\$ 184,828

* Actually appropriated as \$38,211,000 for District Justice and \$250,000 for District Justice Medical Benefits.

JUDICIARY

Program Funding Summary:

	(Dollar Amounts in Thousands)						
	1993-94	* 1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
	ACTUAL	AVAILABLE	BUDGET	ESTIMATED	ESTIMATED	ESTIMATED	ESTIMATED
STATE JUDICIAL SYSTEM							
General Funds.....	\$ 153,792	\$ 160,713	\$ 169,631	\$ 173,437	\$ 178,277	\$ 183,871	\$ 189,830
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	0	0	0	0	0	0	0
Other Funds.....	14,225	15,233	15,197	15,767	16,258	16,827	17,433
TOTAL.....	\$ 168,017	\$ 175,946	\$ 184,828	\$ 189,204	\$ 194,535	\$ 200,698	\$ 207,263
ALL PROGRAMS:							
GENERAL FUND.....	\$ 153,792	\$ 160,713	\$ 169,631	\$ 173,437	\$ 178,277	\$ 183,871	\$ 189,830
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	14,225	15,233	15,197	15,767	16,258	16,827	17,433
TOTAL.....	\$ 168,017	\$ 175,946	\$ 184,828	\$ 189,204	\$ 194,535	\$ 200,698	\$ 207,263

JUDICIARY

Program: State Judicial System (continued)

Appropriations within this Program:

	(Dollar Amounts in Thousands)						
	1993-94 Actual	1994-95 Available	1995-96 Budget	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
GENERAL FUND:							
Supreme Court	\$ 8,002	\$ 8,093	\$ 8,861	\$ 9,224	\$ 9,538	\$ 9,900	\$ 10,286
Supreme Court Justice Expenses	180	180	180	180	180	180	180
Office of Legal Systems	400	425	1,800	.....	.....	.....	.....
Civil Procedural Rules Committee	295	309	314	327	338	351	365
Criminal Procedural Rules Committee	286	300	314	327	338	351	365
State Board of Law Examiners	22	.....	.....	.....	.....	.....	.....
Judicial Conduct Board	529	825	863	898	929	964	1,002
Court of Judicial Discipline	216	384	405	422	436	453	471
Domestic Relations Committee	137	139	144	150	155	161	167
Court Administrator	3,962	4,277	4,408	4,589	4,745	4,925	5,117
Superior Court	14,590	14,658	16,125	16,786	17,357	18,017	18,720
Superior Court Justice Expenses	237	237	237	237	237	237	237
Commonwealth Court	9,158	9,793	10,606	11,041	11,416	11,850	12,312
Commonwealth Court Justice Expenses	68	143	143	143	143	143	143
Courts of Common Pleas	42,754	44,145	46,589	48,499	50,148	52,054	54,084
Common Pleas — Senior Judges	2,759	2,839	2,954	3,075	3,180	3,301	3,430
Common Pleas — Judicial Education	419	435	456	475	491	510	530
District Justices	35,012	38,461	39,923	41,560	42,973	44,606	46,346
District Justice Education	436	447	479	499	516	536	557
Philadelphia Traffic Court	461	507	532	554	573	595	618
Philadelphia Municipal Court	3,105	3,352	3,519	3,663	3,788	3,932	4,085
Law Clerks	39	39	39	40	41	42	43
Domestic Violence	185	185	200	208	215	223	232
Reimbursement of County Court Costs	29,071	29,071	29,071	29,071	29,071	29,071	29,071
Juror Cost Reimbursement	1,469	1,469	1,469	1,469	1,469	1,469	1,469
TOTAL GENERAL FUND	\$ 153,792	\$ 160,713	\$ 169,631	\$ 173,437	\$ 178,277	\$ 183,871	\$ 189,830



Governor's Executive Budget

CAPITAL
BUDGET

CAPITAL BUDGET

This section contains the 1995-96 Capital Budget and Five Year Capital Program. The bonded indebtedness required to support the capital programs is projected and, along with currently outstanding debt, is compared to the Constitutional debt limit.

The Public Improvement, Original Furniture and Equipment, Redevelopment Assistance, Flood Control, Site Development and Transportation Assistance Projects shown will be financed by general obligation bonds. Game Commission projects and the Department of Transportation highway projects are financed from current revenues. These projects are grouped into the following categories:

Public Improvement Projects — This category includes all types of new buildings and renovation projects. Also included are nonstructural improvements and the acquisition of land. The majority of these projects are designed and constructed through the Department of General Services. However, the Keystone Recreation, Park and Conservation Projects will be administered by the Department of Conservation and Natural Resources.

Public Improvement—Original Furniture and Equipment Projects — This category provides for the equipping of newly completed public improvement projects by purchasing original movable furniture and equipment through the Department of General Services.

Transportation Assistance Projects — These projects include: (a) the purchase of rolling stock and construction or improvement of facilities operated by mass transportation agencies throughout the Commonwealth, and (b) the acquisition, construction and equipping of rural and intercity common carrier surface transportation systems or any components thereof. These projects are administered through the Department of Transportation.

Redevelopment Assistance Projects — This category provides grants for the acquisition of land and the construction of buildings and other property appurtenances for municipal agencies and authorities for economic development and the prevention and elimination of blight. These projects are administered through the Department of Community Affairs.

Site Development Projects — This category provides grants for the acquisition, construction, improvement, expansion, extension, repair or

rehabilitation of all or part of any facility or system, whether publicly or privately owned, for the collection, treatment or disposal of wastewater, including industrial waste, or for the supply, treatment, storage or distribution of drinking water. These projects are administered through the Pennsylvania Infrastructure Investment Authority.

Flood Control Projects — This category provides the State's share of Federal flood control works and improvements to prevent floods and to preserve, control and regulate the flow of rivers and streams in the Commonwealth. These projects are administered through the Department of Environmental Protection.

Highway Projects — This category includes the design, purchase of rights-of-way, construction, reconstruction and other improvements to highways and bridges on the State highway system. These projects are designed and constructed through the Department of Transportation.

The Capital Budget section consists of the following subsections.

1995-96 New Project Authorizations — This Section itemizes and describes the new capital projects recommended for authorization in 1995-96, and their proposed source of funding. The projects are listed by department and capital project category.

Forecast of Future Projects — This section contains a dollar forecast of new capital projects to be requested during each of the fiscal years 1996-97 through 1999-00. The projections are grouped by department and capital project category.

Estimate of Capital Expenditures — This section provides an estimate of expenditures for capital projects during each of the next five fiscal years. Since design, acquisition and construction of a project are not generally completed during the fiscal year in which the project is initiated, payment of costs incurred usually occurs over several fiscal years. The estimated expenditures determine the amount of bonds which must be issued, or current revenue appropriations required, each fiscal year. The projections are listed by capital project category and subdivided by projects currently authorized, new projects proposed for 1995-96 and future projects (1996-00).

CAPITAL BUDGET

FORECAST OF DEBT LIMIT AND OUTSTANDING DEBT 1994-95 Through 1999-00

This table includes debt subject to the constitutional debt limit and debt issued under Article 8, Section 7(a)(4) of the Pennsylvania Constitution for projects included in a capital budget. Debt issued under voter approved referendums and for disaster relief is not included.

	(Dollar Amounts in Thousands)					
	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Average Tax Revenues Previous Five Years .	\$ 16,485,003	\$ 17,635,018	\$ 18,919,461	\$ 19,674,332	\$ 20,426,789	\$ 20,801,777
Debt Limit ¹	28,848,755	30,861,282	33,109,057	34,430,081	35,746,880	36,403,110
Debt Subject to Constitutional Debt Limit:						
Outstanding Debt-Beginning of Fiscal Year ² .	3,992,350	3,935,962	4,113,073	4,223,825	4,303,869	4,309,857
Debt to be Issued	318,500	486,000	410,000	377,000	311,000	282,000
Debt to be Retired ³	-374,888	-308,889	-299,248	-296,956	-305,012	-310,218
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Outstanding Debt—End of Fiscal Year	<u>\$ 3,935,962</u>	<u>\$ 4,113,073</u>	<u>\$ 4,223,825</u>	<u>\$ 4,303,869</u>	<u>\$ 4,309,857</u>	<u>\$ 4,281,639</u>
Ratio of Outstanding Debt to Debt Limit	13.6%	13.3%	12.8%	12.5%	12.1%	11.8%

¹1.75 times the average tax revenues of previous five fiscal years.

²1994-95 amount excludes sinking fund balances.

³Net of interest accreting on Capital Appreciation Bonds during fiscal year.

CAPITAL BUDGET

PROJECTED CAPITAL BUDGET DEBT ISSUES AND DEBT OUTSTANDING 1994-95 Through 1999-00

This table shows the projected amount of general obligation bonds and bond anticipation notes to be issued and the level of debt outstanding at the end of each fiscal year for projects included in a capital budget. A projection of all Commonwealth general obligation debt to be issued and debt outstanding is contained in the Public Debt section of this budget document.

	(Dollar Amounts in Thousands)					
	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Projected Capital Budget Debt Issues						
Buildings and Structures	\$ 145,000	\$ 260,000	\$ 210,000	\$ 200,000	\$ 194,000	\$ 190,000
Flood Control	500	6,000	14,000	18,000	14,000	1,000
Furnishings and Equipment . .	8,000	19,000	18,000	32,000	22,000	5,000
Redevelopment Assistance . .	45,000	101,000	80,000	50,000	1,000	.....
Transportation Assistance . . .	120,000	100,000	88,000	77,000	80,000	86,000
Total	<u>\$ 318,500</u>	<u>\$ 486,000</u>	<u>\$ 410,000</u>	<u>\$ 377,000</u>	<u>\$ 311,000</u>	<u>\$ 282,000</u>
Capital Budget Debt Outstanding Projections						
Bridges ¹	\$ 258,211	\$ 258,467	\$ 258,962	\$ 258,272	\$ 257,892	\$ 258,834
Buildings and Structures	1,166,990	1,304,130	1,397,165	1,473,045	1,545,250	1,608,940
Community Colleges	9,045	7,495	5,840	4,090	2,630	1,080
Flood Control	11,680	17,195	30,390	46,855	58,395	56,215
Furnishings and Equipment . .	33,460	47,650	59,125	83,695	94,925	86,870
Highways	768,230	653,916	565,712	476,700	385,826	303,029
Redevelopment Assistance . .	229,725	310,660	367,555	389,945	364,100	339,185
Refunding Bonds ²	841,576	837,280	819,171	821,407	820,624	810,701
Site Development	71,000	64,100	57,140	50,115	43,025	38,865
Transportation Assistance . . .	546,045	612,180	662,765	699,745	737,190	777,920
Total	<u>\$ 3,935,962</u>	<u>\$ 4,113,073</u>	<u>\$ 4,223,825</u>	<u>\$ 4,303,869</u>	<u>\$ 4,309,857</u>	<u>\$ 4,281,639</u>

¹Includes bonds issued to refund bridge project bonds.

²Bonds issued to refund Capital Budget bonds (except for bridge projects) and to refinance General State Authority rentals.

CAPITAL BUDGET

FORECAST OF DEBT SERVICE REQUIREMENTS 1995-96 Through 1999-00

This table includes debt service on debt issued under Article 8, Section 7(a)(4) of the Pennsylvania Constitution for projects included in a capital budget. Debt service is shown in the year of appropriation and in gross amounts not reduced by interest earnings or other credits applied to debt service payments. Debt service on anticipated issues is also included. Debt service on all general obligation bonds is shown in the Public Debt section.

	(Dollar Amounts in Thousands)				
	1995-96	1996-97	1997-98	1998-99	1999-00
GENERAL FUND					
Treasury Department					
Building and Structure Projects	\$ 187,747	\$ 188,715	\$ 203,121	\$ 207,112	\$ 215,419
Community College Projects ¹	2,025	2,036	2,029	1,638	1,637
Flood Control Projects	1,251	2,018	3,756	5,704	6,845
Furnishings and Equipment Projects	6,876	9,423	11,478	16,293	18,841
Redevelopment Assistance Projects	35,415	42,922	51,097	51,237	47,677
Refunding ²	88,303	105,616	102,346	101,174	109,878
Site Development Projects	11,355	10,979	10,601	10,217	6,829
Transportation Assistance Projects	66,892	74,204	80,647	85,794	90,413
Less: Augmentations, Interest Earnings and Miscellaneous Revenues ³	-103,396	-7,396	-7,396	-7,396	-7,396
TOTAL—GENERAL FUND	<u>\$ 296,468</u>	<u>\$ 428,517</u>	<u>\$ 457,679</u>	<u>\$ 471,773</u>	<u>\$ 490,143</u>
MOTOR LICENSE FUND					
Treasury Department					
Highway Projects	\$ 150,109	\$ 118,075	\$ 113,802	\$ 110,913	\$ 98,535
Building and Structure Projects ²	1,399	1,860	2,169	2,128	2,128
TOTAL—MOTOR LICENSE FUND	<u>\$ 151,508</u>	<u>\$ 119,935</u>	<u>\$ 115,971</u>	<u>\$ 113,041</u>	<u>\$ 100,663</u>
FISH FUND					
Treasury Department					
Building and Structure Projects ²	\$ 4	\$ 1	.....	.....	.....
TOTAL—FISH FUND	<u>\$ 4</u>	<u>\$ 1</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>
OTHER FUNDS					
Motor License Fund Restricted Receipts					
Aviation—Airport Building and Structure Projects ²	\$ 1,245	\$ 1,680	\$ 1,990	\$ 1,973	\$ 1,973
Highway Bridge Improvement Projects ²	30,063	29,218	29,695	29,578	28,465
TOTAL—OTHER FUNDS	<u>\$ 31,308</u>	<u>\$ 30,898</u>	<u>\$ 31,685</u>	<u>\$ 31,551</u>	<u>\$ 30,438</u>
TOTAL DEBT SERVICE—ALL FUNDS	<u>\$ 479,288</u>	<u>\$ 579,351</u>	<u>\$ 605,335</u>	<u>\$ 616,365</u>	<u>\$ 621,244</u>

¹Fifty percent of this amount is reimbursed by the appropriate colleges.

²Includes debt service on bonds to refund Capital Budget bonds and/or to refinance General State Authority rentals.

³Transfer of \$100 million from PIDA Escrow Fund included in 1995-96.

CAPITAL BUDGET

CAPITAL FACILITIES FUND FINANCIAL STATEMENT¹

1995-96 Through 1999-00

(Dollar Amounts in Thousands)

	Building & Structure Projects	Transportation Assistance Projects	Furnishings & Equipment Projects	Redevelopment Assistance Projects	Flood Control Projects	Total
Balance, July 1, 1995	\$ 15,314	\$ 10,203	\$ 2,803	\$ 11,319	\$ 160	\$ 39,799
Bond Issues	260,000	100,000	19,000	101,000	6,000	486,000
Miscellaneous Revenue	1,072	35	145	805	84	2,141
Estimated Expenditures	-253,884	-109,500	-18,912	-96,216	-4,470	-482,982
Balance, July 1, 1996	\$ 22,502	\$ 738	\$ 3,036	\$ 16,908	\$ 1,774	\$ 44,958
Bond Issues	210,000	88,000	18,000	80,000	14,000	410,000
Miscellaneous Revenue	54	108	118	390	120	790
Estimated Expenditures	-231,425	-86,581	-18,667	-89,101	-13,380	-439,154
Balance, July 1, 1997	\$ 1,131	\$ 2,265	\$ 2,487	\$ 8,197	\$ 2,514	\$ 16,594
Bond Issues	200,000	77,000	32,000	50,000	18,000	377,000
Miscellaneous Revenue	158	83	79	61	115	496
Estimated Expenditures	-197,968	-77,596	-32,900	-56,980	-18,210	-383,654
Balance, July 1, 1998	\$ 3,321	\$ 1,752	\$ 1,666	\$ 1,278	\$ 2,419	\$ 10,436
Bond Issues	194,000	80,000	22,000	1,000	14,000	311,000
Miscellaneous Revenue	334	80	126	29	89	658
Estimated Expenditures	-190,643	-80,156	-21,144	-1,702	-14,645	-308,290
Balance, July 1, 1999	\$ 7,012	\$ 1,676	\$ 2,648	\$ 605	\$ 1,863	\$ 13,804
Bond Issues	190,000	86,000	5,000	. . . . .	1,000	282,000
Miscellaneous Revenue	319	52	76	30	33	510
Estimated Expenditures	-190,623	-86,645	-6,124	. . . . .	-2,205	-285,597
Balance, July 1, 2000	<u>\$ 6,708</u>	<u>\$ 1,083</u>	<u>\$ 1,600</u>	<u>\$ 635</u>	<u>\$ 691</u>	<u>\$ 10,717</u>

¹Bonds are issued to meet the cash requirements of each category of projects and to maintain minimum cash balances.

CAPITAL BUDGET

ESTIMATED CAPITAL EXPENDITURES State Funds 1995-96 Through 1999-00

(Dollar Amounts in Thousands)

FROM GENERAL OBLIGATION BONDS	<u>1995-96</u> <u>Estimated</u>	<u>1996-97</u> <u>Estimated</u>	<u>1997-98</u> <u>Estimated</u>	<u>1998-99</u> <u>Estimated</u>	<u>1999-00</u> <u>Estimated</u>
Capital Facilities Fund					
Public Improvement Projects					
Buildings and Structures	\$ 252,984	\$ 233,375	\$ 199,968	\$ 192,673	\$ 192,673
Original Furniture and Equipment	18,627	18,577	32,740	21,034	6,099
Redevelopment Assistance Projects	94,701	88,701	56,730	1,697	....
Flood Control Projects	4,380	13,310	18,120	14,575	2,200
Transportation Assistance Projects	108,000	86,141	77,211	79,756	86,215
Subtotal - Capital Facilities Fund	<u>\$ 478,692</u>	<u>\$ 440,104</u>	<u>\$ 384,769</u>	<u>\$ 309,735</u>	<u>\$ 287,187</u>
Keystone Recreation, Park and Conservation Bond Fund					
Acquisition, Improvement and Restoration Projects	\$ 9,695	\$ 1,565	\$ 2,015	\$ 90	....
Subtotal - Keystone Recreation, Park and Conservation Fund	<u>\$ 9,695</u>	<u>\$ 1,565</u>	<u>\$ 2,015</u>	<u>\$ 90</u>	<u>....</u>
Total General Obligation Bonds	<u>\$ 488,387</u>	<u>\$ 441,669</u>	<u>\$ 386,784</u>	<u>\$ 309,825</u>	<u>\$ 287,187</u>
FROM CURRENT REVENUES					
Public Improvement Projects - Game Fund .....	....	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
Acquisition, Improvement and Restoration Projects - Keystone Recreation, Park and Conservation Fund	\$ 8,120	10,480	10,000	10,000	10,000
Highway Projects - Motor License Fund	205,415	182,862	162,159	171,867	177,374
Total - Current Revenues	<u>\$ 213,535</u>	<u>\$ 194,842</u>	<u>\$ 173,659</u>	<u>\$ 183,367</u>	<u>\$ 188,874</u>
TOTAL - ALL STATE FUNDS	<u><u>\$ 701,922</u></u>	<u><u>\$ 636,511</u></u>	<u><u>\$ 560,443</u></u>	<u><u>\$ 493,192</u></u>	<u><u>\$ 476,061</u></u>

CAPITAL BUDGET

FORECAST OF NEW PROJECT AUTHORIZATIONS FINANCED FROM STATE FUNDS Five Year Forecast by Department

	1995-96	1996-97	(Dollar Amounts in Thousands)		1999-00	Total
			1997-98	1998-99		
Department of Agriculture		\$ 501	\$ 556	\$ 618	\$ 687	\$ 2,362
Department of Conservation and Natural Resources	\$ 11,600	23,500	23,400	23,888	25,432	107,820
Department of Corrections	84,000	23,170	25,744	28,604	31,783	193,301
Department of Education		45,144	50,161	55,736	61,928	212,969
Emergency Management Agency		762	847	941	1,045	3,595
Department of Environmental Protection		9,209	9,454	10,505	11,672	40,840
Game Commission		1,500	1,500	1,500	1,500	6,000
Department of General Services		7,189	7,988	8,875	9,861	33,913
Historical and Museum Commission		18,983	21,092	23,436	26,040	89,551
Department of Military Affairs		1,875	2,083	2,315	2,572	8,845
Department of Public Welfare	8,400	18,384	20,427	22,696	25,218	95,125
State Police		2,837	3,152	3,502	3,891	13,382
Department of Transportation		158,226	164,696	171,884	179,871	674,677
TOTAL	\$ 104,000	\$ 311,280	\$ 331,100	\$ 354,500	\$ 381,500	\$ 1,482,380

CAPITAL BUDGET

RECOMMENDED 1995-96 NEW PROJECT AUTHORIZATIONS STATE FUNDS

Summary by Department

(Dollar Amounts in Thousands)

	Capital Facilities Bond Funds			Keystone Recreation, Park and Conservation Bond Fund	Current Revenues		
	Public Improvement Projects	Original Furniture & Equipment	Transportation Assistance Projects	Public Improvement Projects	Total Highway Projects	Keystone Recreation, Park and Conservation Projects	All Funds
Department of Conservation and Natural Resources .....	.....	.....	.....	.....	.....	\$ 11,600	\$ 11,600
Department of Corrections	\$ 84,000	.....	.....	.....	.....	.....	84,000
Department of Public Welfare ...	8,400	.....	.....	.....	.....	.....	8,400
TOTAL	\$ 92,400	.....	.....	.....	.....	\$ 11,600	\$ 104,000

CAPITAL BUDGET

CONSERVATION AND NATURAL RESOURCES

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
1995-96 KEYSTONE RECREATION, PARK AND CONSERVATION — PUBLIC IMPROVEMENT PROJECTS				
Parks and Forests Management	\$ 9,667	....	\$ 1,933	\$ 11,600
TOTAL PROJECTS	<u>\$ 9,667</u>	<u>....</u>	<u>\$ 1,933</u>	<u>\$ 11,600</u>
 SOURCE OF FUNDS				
Current Revenues				
Keystone Recreation, Park and Conservation Fund — Acquisition, Improvements and Restoration	\$ 9,667	....	\$ 1,933	\$ 11,600
Total	<u>\$ 9,667</u>	<u>....</u>	<u>\$ 1,933</u>	<u>\$ 11,600</u>

CAPITAL BUDGET

Department of Conservation and Natural Resources 1995-96 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES				
PROGRAM: PARKS AND FORESTS MANAGEMENT				
Bendigo State Park				
RENOVATION OF FOUR BUILDINGS AND ASSOCIATED UTILITIES: This project provides for the renovation or replacement of two comfort stations, a bathhouse and concession building along with related sewage and water services to the buildings	\$ 1,250	....	\$ 250	\$ 1,500
Codorus State Park				
RENOVATION OF MARINA: This project provides for the renovation or replacement of existing floating docks including ramps, winches and anchors. The project will also rebuild boat launching ramps and courtesy docks	1,000	....	200	1,200
French Creek State Park				
CONSTRUCTION OF PARK OFFICE AND VISITOR CENTER: This project provides for construction of a new building to house a visitor center, park office and district forest office	834	....	166	1,000
Neshaminy State Park				
RENOVATION OF MARINA: This project provides for the replacement of the floating docks on piers 1, 2, 3 and 4. The project will also provide electric and water services to each boat slip	1,250	....	250	1,500
Prince Gallitzin State Park				
RENOVATION OF SEWAGE TREATMENT PLANT AND COLLECTION SYSTEM: This project provides for the renovation or replacement of all mechanical equipment in the treatment plant and rehabilitate several sections of the collection system	1,583	....	317	1,900
Raccoon Creek State Park				
RENOVATION OF WATER AND SEWAGE SYSTEMS: This project provides for the renovation or replacement of the mechanical components of the treatment systems and the rehabilitation of existing water and sewer lines	1,666	....	334	2,000
R.B. Winter State Park				
NEW SEWAGE TREATMENT PLANT AND COLLECTION SYSTEM: This project will provide for a new package sewage treatment plant and construction of a collector system for present use areas	1,250	....	250	1,500

CAPITAL BUDGET

Department of Conservation and Natural Resources 1995-96 Projects

(Dollar Amounts in Thousands)

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES (con't)

PROGRAM: PARKS AND FORESTS MANAGEMENT (con't)

Yellow Creek State Park

RENOVATION OF WATER AND SEWAGE SYSTEMS: This project provides for the renovation or replacement of all mechanical components of the water and sewage treatment systems. The project will also provide for the extension of new water and sewer lines to areas of the park not now served

\$ 834	....	\$ 166	\$ 1,000
<u>\$ 9,667</u>	<u>....</u>	<u>\$ 1,933</u>	<u>\$ 11,600</u>

PROGRAM TOTAL

CAPITAL BUDGET

DEPARTMENT OF CORRECTIONS

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
1995-96 PUBLIC IMPROVEMENT PROJECTS				
Institutionalization of Offenders	\$ 74,000	....	\$ 10,000	\$ 84,000
TOTAL PROJECTS	<u>\$ 74,000</u>	<u>....</u>	<u>\$ 10,000</u>	<u>\$ 84,000</u>
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund – Buildings and Structures	\$ 74,000	....	\$ 10,000	\$ 84,000
TOTAL	<u>\$ 74,000</u>	<u>....</u>	<u>\$ 10,000</u>	<u>\$ 84,000</u>

CAPITAL BUDGET

Department of Corrections 1995-96 Projects

(Dollar Amounts in Thousands)

FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: Institutionalization of Offenders

State Correctional Institution - Central Pennsylvania

CONSTRUCTION OF A 1,000 CELL PROTOTYPE MEDIUM SECURITY PRISON FACILITY: This project provides for the construction of a new 1,000 cell medium security prison using the accepted prototype design for such facilities. This project includes any cost for land acquisition which may be necessary

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
	\$ 69,000	....	\$ 9,000	\$ 78,000

State Correctional Institution - Central or Eastern Pennsylvania

CONSTRUCTION OF A 100 CELL FACILITY FOR SERIOUS DELINQUENT OFFENDERS: This project provides for the purchase and installation of high security modular units

	5,000	1,000	6,000
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PROGRAM TOTAL

	\$ 74,000	\$ 10,000	\$ 84,000
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CAPITAL BUDGET

DEPARTMENT OF PUBLIC WELFARE

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
1995-96 PUBLIC IMPROVEMENT PROJECTS				
Human Services	\$ 7,000	....	\$ 1,400	\$ 8,400
TOTAL PROJECTS	<u>\$ 7,000</u>	<u>....</u>	<u>\$ 1,400</u>	<u>\$ 8,400</u>

SOURCE OF FUNDS

General Obligation Bond Issues				
Capital Facilities Fund – Buildings and Structures	\$ 7,000	....	\$ 1,400	\$ 8,400
TOTAL	<u>\$ 7,000</u>	<u>....</u>	<u>\$ 1,400</u>	<u>\$ 8,400</u>

CAPITAL BUDGET

Department of Public Welfare 1995-96 Projects

(Dollar Amounts in Thousands)

FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: Human Services

Juvenile Detention Facility — Western Pennsylvania

CONSTRUCT OR ACQUIRE AND RENOVATE A 50 BED SECURE JUVENILE FACILITY: This project provides for the construction of a new facility or the acquisition and renovation of an existing facility for a secure 50 bed juvenile facility

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
	\$ 3,500	....	\$ 700	\$ 4,200

Juvenile Detention Facility — Eastern Pennsylvania

CONSTRUCT OR ACQUIRE AND RENOVATE A 50 BED SECURE JUVENILE FACILITY: This project provides for the construction of a new facility or the acquisition and renovation of an existing facility for a secure 50 bed juvenile facility

	3,500	700	4,200
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PROGRAM TOTAL

	\$ 7,000	\$ 1,400	\$ 8,400
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CAPITAL BUDGET

SUMMARY OF FORECAST OF FUTURE NEW PROJECT AUTHORIZATIONS STATE FUNDS

(Dollar Amounts in Thousands)

	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>
Department of Agriculture	\$ 501	\$ 556	\$ 618	\$ 687
Department of Conservation and Natural Resources	23,500	23,400	23,888	25,432
Department of Corrections	23,170	25,744	28,604	31,783
Department of Education	45,144	50,161	55,736	61,928
Emergency Management Agency	762	847	941	1,045
Department of Environmental Protection	9,209	9,454	10,505	11,672
Game Commission	1,500	1,500	1,500	1,500
Department of General Services	7,189	7,988	8,875	9,861
Historical and Museum Commission	18,983	21,092	23,436	26,040
Department of Military Affairs	1,875	2,083	2,315	2,572
Department of Public Welfare	18,384	20,427	22,696	25,218
State Police	2,837	3,152	3,502	3,891
Department of Transportation	158,226	164,696	171,884	179,871
TOTAL	<u>\$ 311,280</u>	<u>\$ 331,100</u>	<u>\$ 354,500</u>	<u>\$ 381,500</u>

CAPITAL BUDGET

Forecast of Future Projects

This section contains estimated authorizations (State funds only) for future Capital Budgets for 1996-97 through 1999-00. Amounts in this section have been grouped by department and are identified by capital project category.

FROM CAPITAL FACILITIES BOND FUNDS	(Dollar Amounts in Thousands)			
	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
Department of Agriculture				
PUBLIC IMPROVEMENT PROJECTS: Provides for improvements at the Farm Show Complex and the Summerdale Laboratory	\$ 501	\$ 556	\$ 618	\$ 687
Department of 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 State Forest districts. Also includes the purchase of original furniture and equipment for such projects	11,250	12,500	13,888	15,432
Department of 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 includes the purchase of original furniture and equipment to furnish such facilities	23,170	25,744	28,604	31,783
Department of 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, the State-owned schools and for the State-related universities. Also includes the purchase of original furniture and equipment to furnish such facilities	45,144	50,161	55,736	61,928
Emergency Management Agency				
PUBLIC IMPROVEMENT PROJECTS: Provides for improvements and renovation of facilities etc. at the State Fire Academy and the Regional Emergency Operating Centers	762	847	941	1,045
Department of 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	8,509	9,454	10,505	11,672
FLOOD CONTROL PROJECTS: Provides for the State's share of Federal flood control works and improvements; levees, dikes, walls, revetments, dams, lakes, reservoirs and other works and improvements deemed necessary to prevent floods, and to control, preserve and regulate the flow of rivers and streams	700	....	....	....
Department of General Services				
PUBLIC IMPROVEMENT PROJECTS: Provides for renovation and improvements of State office buildings and facilities	7,189	7,988	8,875	9,861

CAPITAL BUDGET

Forecast of Future Projects

(Dollar Amounts in Thousands)

FROM CAPITAL FACILITIES BOND FUNDS (continued)

	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
Historical and Museum Commission				
PUBLIC IMPROVEMENT PROJECTS: Provides for restoration and renovation of historic facilities, installation of fire and security systems, development of fixed exhibits, and miscellaneous building and utility improvements at Commonwealth-owned museums and historical sites. Also includes the purchase of original furniture and equipment to furnish such facilities				
	\$ 18,983	\$ 21,092	\$ 23,436	\$ 26,040
Department of Military Affairs				
PUBLIC IMPROVEMENT PROJECTS: Provides for land acquisition, renovations, additions and replacement at the State armories and veterans' homes. Also includes the purchase of original furniture and equipment to furnish such facilities				
	1,875	2,083	2,315	2,572
Department of 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 includes the purchase of original furniture and equipment to furnish such facilities				
	18,384	20,427	22,696	25,218
State Police				
PUBLIC IMPROVEMENT PROJECTS: Provides for renovation, expansion and construction of troop headquarters/station facilities and driver examination facilities				
	2,837	3,152	3,502	3,891
Department of 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				
	7,196	7,996	8,884	9,871
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				
	51,030	56,700	63,000	70,000
Total — Public Improvement Program	\$ 145,800	\$ 162,000	\$ 180,000	\$ 200,000
Total — Flood Control Program	700	....	....	....
Total — Transportation Assistance Program	51,030	56,700	63,000	70,000
SUBTOTAL— CAPITAL FACILITIES BOND FUNDS	\$ 197,530	\$ 218,700	\$ 243,000	\$ 270,000

FROM KEYSTONE RECREATION, PARK AND CONSERVATION BOND FUNDS

Department of Conservation and Natural Resources

KEYSTONE RECREATION, PARK AND CONSERVATION FUND PROJECTS: Provides for the rehabilitation, repair and development of State park and forest facilities which are critical for visitor safety, environmental protection or essential for facility operation. Also these projects provide for the acquisition of recreation and natural areas which face imminent loss or damage

SUBTOTAL — KEYSTONE RECREATION, PARK AND CONSERVATION BOND FUNDS

	\$ 2,250	\$ 900	....	....
	<u>\$ 2,250</u>	<u>\$ 900</u>	<u>....</u>	<u>....</u>

CAPITAL BUDGET

Forecast of Future Projects

	(Dollar Amounts in Thousands)			
FROM CURRENT REVENUES	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
Game Commission				
PUBLIC IMPROVEMENT PROJECTS — GAME FUND:				
Provides for acquisition of additional State game lands.....	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
Department of Conservation and Natural Resources				
PUBLIC IMPROVEMENT PROJECTS — KEYSTONE RECREATION, PARK AND CONSERVATION FUND: Provides for the rehabilitation, repair and development of State park and forest facilities which are critical for visitor safety, environmental protection or essential for facility operation. Also these projects provide for the acquisition of recreation and natural areas which face imminent loss or damage				
	10,000	10,000	10,000	10,000
Department of Transportation				
HIGHWAY PROJECTS — MOTOR LICENSE FUND: Provides for the purchase of right-of-way, construction, and reconstruction of highways and bridges on the Commonwealth road system and major Federally-designated safety projects.				
	100,000	100,000	100,000	100,000
Total – Public Improvement Program	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500
Total – Highway Program	100,000	100,000	100,000	100,000
SUBTOTAL – CURRENT REVENUES	\$ 111,500	\$ 111,500	\$ 111,500	\$ 111,500
TOTAL – ALL PROGRAMS	\$ 311,280	\$ 331,100	\$ 354,500	\$ 381,500

CAPITAL BUDGET

SUMMARY OF ESTIMATED CAPITAL PROJECT EXPENDITURES STATE FUNDS

(Dollar Amounts in Thousands)

Department	1995-96 Estimated	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
Agriculture	\$ 3,964	\$ 728	\$ 874	\$ 302	\$ 397
Commerce	10,578	2,842	2,597	2,280	1,679
Community Affairs	94,701	88,701	56,730	1,697	....
Conservation and Natural Resources	19,605	23,122	28,335	21,254	22,139
Corrections	110,025	59,918	12,386	10,639	15,905
Education	97,432	112,748	129,626	113,671	90,045
Emergency Management Agency	88	751	860	887	919
Environmental Protection	6,885	21,545	27,435	24,229	12,273
Game Commission .....	....	1,500	1,500	1,500	1,500
General Services	12,496	26,133	26,761	25,779	23,837
Historical and Museum Commission	4,989	6,580	9,458	13,480	14,190
Military Affairs	7,089	3,330	3,744	2,885	2,778
Public Welfare	14,042	13,392	13,696	15,017	17,462
State Police	2,266	1,439	1,604	1,901	2,387
Transportation	317,762	273,782	244,837	257,671	270,550
TOTAL	<u>\$ 701,922</u>	<u>\$ 636,511</u>	<u>\$ 560,443</u>	<u>\$ 493,192</u>	<u>\$ 476,061</u>

CAPITAL BUDGET

Estimate of Capital Expenditures

CAPITAL FACILITIES BOND FUNDS	1995-96 Estimated	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
Department of Agriculture					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 3,964	\$ 513	\$ 194	\$ 171	\$ 126
Future Projects (1996-00)					
Buildings and Structures .....	....	5	51	131	271
Furniture and Equipment .....	....	210	629	....	....
TOTAL - AGRICULTURE	<u>\$ 3,964</u>	<u>\$ 728</u>	<u>\$ 874</u>	<u>\$ 302</u>	<u>\$ 397</u>
Department of Commerce					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 10,577	\$ 2,842	\$ 2,597	\$ 2,280	\$ 1,679
Furniture and Equipment	1	....	....	....	....
TOTAL - COMMERCE	<u>\$ 10,578</u>	<u>\$ 2,842</u>	<u>\$ 2,597</u>	<u>\$ 2,280</u>	<u>\$ 1,679</u>
Department of Community Affairs					
Redevelopment Assistance Projects					
Projects Currently Authorized					
Acquisition and Construction	\$ 94,701	\$ 88,701	\$ 56,730	\$ 1,697	....
TOTAL - COMMUNITY AFFAIRS	<u>\$ 94,701</u>	<u>\$ 88,701</u>	<u>\$ 56,730</u>	<u>\$ 1,697</u>	<u>....</u>
Department of Conservation and Natural Resources					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 1,388	\$ 8,887	\$ 9,354	\$ 8,212	\$ 6,047
Furniture and Equipment	402	134	....	....	....
Future Projects (1996-00)					
Buildings and Structures .....	....	113	1,138	2,952	6,092
Furniture and Equipment .....	....	1,943	5,828	....	....
TOTAL - CONSERVATION AND NATURAL RESOURCES	<u>\$ 1,790</u>	<u>\$ 11,077</u>	<u>\$ 16,320</u>	<u>\$ 11,164</u>	<u>\$ 12,139</u>
Department of Corrections					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 76,425	\$ 17,036	\$ 5,194	\$ 4,560	\$ 3,358
Furniture and Equipment .....	....	650	650	....	....
Projects in 1995-96 Budget					
Buildings and Structures	33,600	42,000	4,200	....	....
Future Projects (1996-00)					
Buildings and Structures .....	....	232	2,342	6,079	12,547
TOTAL - CORRECTIONS	<u>\$ 110,025</u>	<u>\$ 59,918</u>	<u>\$ 12,386</u>	<u>\$ 10,639</u>	<u>\$ 15,905</u>
Department of Education					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 81,437	\$ 98,282	\$ 102,222	\$ 85,244	\$ 62,777
Furniture and Equipment	15,995	13,810	20,994	12,895	2,823
Future Projects (1996-00)					
Buildings and Structures .....	....	451	4,565	11,843	24,445
Furniture and Equipment .....	....	205	1,845	3,689	....
TOTAL - EDUCATION	<u>\$ 97,432</u>	<u>\$ 112,748</u>	<u>\$ 129,626</u>	<u>\$ 113,671</u>	<u>\$ 90,045</u>

CAPITAL BUDGET

Estimate of Capital Expenditures

CAPITAL FACILITIES BOND FUNDS	1995-96 Estimated	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
Emergency Management Agency					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 88	\$ 743	\$ 783	\$ 688	\$ 506
Future Projects (1996-00)					
Buildings and Structures .....	.....	8	77	199	413
TOTAL - EMERGENCY MANAGEMENT	\$ 88	\$ 751	\$ 860	\$ 887	\$ 919
Department of Environmental Protection					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 2,500	\$ 8,148	\$ 8,454	\$ 7,422	\$ 5,466
Furniture and Equipment	5	2	.....	.....	.....
Future Projects (1996-00)					
Buildings and Structures .....	.....	85	861	2,232	4,607
Subtotal	\$ 2,505	\$ 8,235	\$ 9,315	\$ 9,654	\$ 10,073
Flood Control Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 4,380	\$ 13,135	\$ 17,700	\$ 14,470	\$ 2,200
Future Projects (1996-00)					
Buildings and Structures .....	.....	175	420	105	.....
Subtotal	\$ 4,380	\$ 13,310	\$ 18,120	\$ 14,575	\$ 2,200
TOTAL - ENVIRONMENTAL PROTECTION	\$ 6,885	\$ 21,545	\$ 27,435	\$ 24,229	\$ 12,273
Department of General Services					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 10,929	\$ 25,544	\$ 26,034	\$ 22,855	\$ 16,831
Furniture and Equipment	1,567	517	.....	1,038	3,113
Future Projects (1996-00)					
Buildings and Structures .....	.....	72	727	1,886	3,893
TOTAL - GENERAL SERVICES	\$ 12,496	\$ 26,133	\$ 26,761	\$ 25,779	\$ 23,837
Historical and Museum Commission					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 4,972	\$ 5,846	\$ 5,797	\$ 5,089	\$ 3,748
Furniture and Equipment	17	506	500	.....	.....
Future Projects (1996-00)					
Buildings and Structures .....	.....	190	1,919	4,979	10,279
Furniture and Equipment .....	.....	38	1,242	3,412	163
TOTAL - HISTORICAL AND MUSEUM	\$ 4,989	\$ 6,580	\$ 9,458	\$ 13,480	\$ 14,190

CAPITAL BUDGET

Estimate of Capital Expenditures

CAPITAL FACILITIES BOND FUNDS	1995-96 Estimated	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
Department of Military Affairs					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 7,059	\$ 3,025	\$ 2,727	\$ 2,394	\$ 1,763
Furniture and Equipment	30	10	....	....	....
Future Projects (1996-00)					
Buildings and Structures .....	....	19	190	491	1,015
Furniture and Equipment .....	....	276	827	....	....
TOTAL - MILITARY AFFAIRS	<u>\$ 7,089</u>	<u>\$ 3,330</u>	<u>\$ 3,744</u>	<u>\$ 2,885</u>	<u>\$ 2,778</u>
Department of Public Welfare					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 7,132	\$ 11,252	\$ 11,612	\$ 10,194	\$ 7,507
Furniture and Equipment	610	201	....	....	....
Projects in 1995-96 Budget					
Buildings and Structures	6,300	1,680	....	....	....
Future Projects (1996-00)					
Buildings and Structures .....	....	184	1,859	4,823	9,955
Furniture and Equipment .....	....	75	225	....	....
TOTAL - PUBLIC WELFARE	<u>\$ 14,042</u>	<u>\$ 13,392</u>	<u>\$ 13,696</u>	<u>\$ 15,017</u>	<u>\$ 17,462</u>
State Police					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 2,266	\$ 1,411	\$ 1,317	\$ 1,156	\$ 851
Future Projects (1996-00)					
Buildings and Structures .....	....	28	287	745	1,536
TOTAL - STATE POLICE	<u>\$ 2,266</u>	<u>\$ 1,439</u>	<u>\$ 1,604</u>	<u>\$ 1,901</u>	<u>\$ 2,387</u>
Department of Transportation					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 4,347	\$ 4,707	\$ 4,739	\$ 4,160	\$ 3,064
Future Projects (1996-00)					
Buildings and Structures .....	....	72	728	1,888	3,897
Subtotal	<u>\$ 4,347</u>	<u>\$ 4,779</u>	<u>\$ 5,467</u>	<u>\$ 6,048</u>	<u>\$ 6,961</u>
Transportation Assistance Projects					
Public Improvement Projects					
Projects Currently Authorized					
Mass Transit, Rail and Air	\$ 108,000	\$ 68,000	\$ 47,000	\$ 36,000	\$ 30,000
Future Projects (1996-00)					
Mass Transit, Rail and Air .....	....	18,141	30,211	43,756	56,215
Subtotal	<u>\$ 108,000</u>	<u>\$ 86,141</u>	<u>\$ 77,211</u>	<u>\$ 79,756</u>	<u>\$ 86,215</u>
TOTAL - TRANSPORTATION	<u>\$ 112,347</u>	<u>\$ 90,920</u>	<u>\$ 82,678</u>	<u>\$ 85,804</u>	<u>\$ 93,176</u>

CAPITAL BUDGET

Estimate of Capital Expenditures

CAPITAL FACILITIES BOND FUNDS	1995-96 Estimated	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated	1999-00 Estimated
TOTAL - CAPITAL FACILITIES BOND FUNDS					
Public Improvement Projects					
Buildings and Structures	\$ 252,984	\$ 233,375	\$ 199,968	\$ 192,673	\$ 192,673
Furniture and Equipment	18,627	18,577	32,740	21,034	6,099
Redevelopment Assistance Projects					
Acquisition and Construction	94,701	88,701	56,730	1,697	....
Flood Control Projects					
Structures and Improvements	4,380	13,310	18,120	14,575	2,200
Transportation Assistance Projects					
Mass Transit, Rail and Air	108,000	86,141	77,211	79,756	86,215
TOTAL - CAPITAL FACILITIES BOND FUNDS	\$ 478,692	\$ 440,104	\$ 384,769	\$ 309,735	\$ 287,187

KEYSTONE RECREATION, PARK AND CONSERVATION BOND FUNDS

Department of Conservation and Natural Resources

Projects Currently Authorized	\$ 9,695	\$ 1,385	\$ 1,385	....	....
Future Projects (1996-00) .....	....	180	630	\$ 90	....
TOTAL - KEYSTONE RECREATION, PARK AND CONSERVATION BOND FUNDS	\$ 9,695	\$ 1,565	\$ 2,015	\$ 90	....

CURRENT REVENUES

Game Commission

Public Improvement Projects					
Future Projects (1996-00)					
Game Fund .....	....	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
TOTAL - GAME COMMISSION .....	....	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500

KEYSTONE RECREATION, PARK AND CONSERVATION FUND

Department of Conservation and Natural Resources

Projects in 1995-96 Budget	\$ 8,120	\$ 3,480	....	....	....
Future Projects (1996-00) .....	....	7,000	10,000	10,000	10,000
TOTAL - CONSERVATION AND NATURAL RESOURCES	\$ 8,120	\$ 10,480	\$ 10,000	\$ 10,000	\$ 10,000

CAPITAL BUDGET

Estimate of Capital Expenditures

	<u>1995-96</u> <u>Estimated</u>	<u>1996-97</u> <u>Estimated</u>	<u>1997-98</u> <u>Estimated</u>	<u>1998-99</u> <u>Estimated</u>	<u>1999-00</u> <u>Estimated</u>
Department of Transportation					
Highway and Bridge Projects					
Projects Currently Authorized					
Motor License Fund	\$ 205,415	\$ 147,494	\$ 128,353	\$ 148,305	\$ 155,260
Future Projects (1996-00)					
Motor License Fund .....	.....	35,368	33,806	23,562	22,114
TOTAL - TRANSPORTATION	<u>\$ 205,415</u>	<u>\$ 182,862</u>	<u>\$ 162,159</u>	<u>\$ 171,867</u>	<u>\$ 177,374</u>
TOTAL - CURRENT REVENUES					
Public Improvement Projects					
Game Fund .....	.....	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
Public Improvement Projects					
Keystone Recreation, Park and Conservation Fund	\$ 8,120	10,480	10,000	10,000	10,000
Highway and Bridge Projects					
Motor License Fund	205,415	182,862	162,159	171,867	177,374
TOTAL - CURRENT REVENUES	<u>\$ 213,535</u>	<u>\$ 194,842</u>	<u>\$ 173,659</u>	<u>\$ 183,367</u>	<u>\$ 188,874</u>
TOTAL - ALL STATE FUNDS	<u>\$ 701,922</u>	<u>\$ 636,511</u>	<u>\$ 560,443</u>	<u>\$ 493,192</u>	<u>\$ 476,061</u>



Governor's Executive Budget

SINKING FUNDS

AND

PUBLIC DEBT

PUBLIC DEBT

DEBT AUTHORIZED, ISSUED AND OUTSTANDING

The Commonwealth issues general obligation debt for purposes which cannot be financed from current revenues. Existing programs for which debt is proposed to be incurred in 1995-96 are Volunteer Companies Loans; PENNVEST; Agricultural Conservation Easement; Local Criminal Justice; Keystone Recreation, Park and Conservation; and Capital Budget projects.

The following statement reflects the debt of the Commonwealth as of December 31, 1994. Issues which have been completely redeemed are not included.

(Dollar Amounts in Thousands)

Debt Subject to Constitutional Limit	Total Debt Authorized	Total Debt Issued	Debt Outstanding ^a	Sinking Fund	Net Indebtedness ^a
Capital Budget	\$ 24,557,574	\$ 7,899,830	\$ 2,886,505	\$ 10,592	\$ 2,875,913
Refunding Bonds .....	.....	1,363,052	1,073,866	.....	1,073,866
General State Authority	1,165,250	1,165,250	.....^b	.....	.....
Subtotal	<u>\$ 25,722,824</u>	<u>\$ 10,428,132</u>	<u>\$ 3,960,371</u>	<u>\$ 10,592</u>	<u>\$ 3,949,779</u>
Debt Not Subject to Constitutional Limit					
Disaster Relief	\$ 192,708	\$ 170,800	\$ 48,560	.....	\$ 48,560
Economic Revitalization	190,000	174,000	87,610	.....	87,610
Land and Water Development	500,000	499,700	117,105	\$ 19	117,086
Nursing Home Loan Agency	100,000	69,000	12,880	18	12,862
Project 70 Land Acquisition	70,000	70,000	3,930	69	3,861
Vietnam Veterans' Compensation	65,000	62,000	14,090	1	14,089
Volunteer Companies Loan	50,000	40,000	22,540	1	22,539
Water Facilities—1981 Referendum	300,000	262,500	135,470	1	135,469
PENNVEST—1988 & 1992 Referenda	650,000	282,500	232,035	.....	232,035
Agricultural Conservation Easement	100,000	81,000	74,950	40	74,910
Local Criminal Justice	200,000	165,000	161,610	231	161,379
Keystone Recreation, Park and Conservation	50,000	9,000	9,000	44	8,956
Refunding Bonds .....	.....	248,754	210,422	.....	210,422
Matured Loans Unclaimed .....	.....	.....	141	145	-4
Subtotal	<u>\$ 2,467,708</u>	<u>\$ 2,134,254</u>	<u>\$ 1,130,343</u>	<u>\$ 569</u>	<u>\$ 1,129,774</u>
TOTAL	<u>\$ 28,190,532</u>	<u>\$ 12,562,386</u>	<u>\$ 5,090,714</u>	<u>\$ 11,161</u>	<u>\$ 5,079,553</u>

^aTotal of debt issued plus accreted interest on capital appreciation bonds less debt redeemed or refunded.

^bFunds sufficient to pay, when due, the debt service on all outstanding bonds of the General State Authority have been deposited by the Commonwealth with an escrow agent for the GSA bonds. A refunding bond issue was the escrow funding source.

PUBLIC DEBT

PROJECTED DEBT ISSUES AND DEBT OUTSTANDING 1994-95 Through 1999-00

This table shows the projected amount of general obligation bonds and bond anticipation notes of the Commonwealth to be issued and the level of debt outstanding at the end of the fiscal year. Outstanding debt amounts are also shown for bond programs for which no additional bonds are planned to be issued. A detailed forecast of outstanding capital facilities debt by category of project and the comparison of debt subject to the debt limit is contained in the Capital Budget section of this volume.

Projected Debt Issues	(Dollar Amounts in Thousands)					
	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Capital Budget						
Buildings and Structures	\$ 145,000	\$ 260,000	\$ 210,000	\$ 200,000	\$ 194,000	\$ 190,000
Flood Control	500	6,000	14,000	18,000	14,000	1,000
Furnishings and Equipment	8,000	19,000	18,000	32,000	22,000	5,000
Redevelopment Assistance	45,000	101,000	80,000	50,000	1,000	.....
Transportation Assistance	120,000	100,000	88,000	77,000	80,000	86,000
Total	\$ 318,500	\$ 486,000	\$ 410,000	\$ 377,000	\$ 311,000	\$ 282,000
Special Purpose						
Agricultural Conservation Easement ..	\$ 10,000	\$ 10,000	\$ 7,000	.....	.....	.....
Economic Revitalization .....	.....	.....	16,000	.....	.....	.....
Keystone Recreation, Park & Conservation	24,000	26,000	.....	.....	.....	.....
Local Criminal Justice	52,000	15,000	15,000	.....	.....	.....
PENNVEST — 1988 & 1992 Referenda .....	.....	25,200	45,000	\$ 45,000	\$ 45,000	\$ 45,000
Volunteer Companies Loan .....	.....	4,000	3,000	3,000	.....	.....
Water Facilities Loan — 1981 Referendum .....	.....	5,000	5,000	5,000	5,000	5,000
Total	\$ 86,000	\$ 85,200	\$ 91,000	\$ 53,000	\$ 50,000	\$ 50,000
TOTAL	\$ 404,500	\$ 571,200	\$ 501,000	\$ 430,000	\$ 361,000	\$ 332,000
Debt Outstanding Projection						
Capital Budget and Refunding Bonds ¹	\$ 3,935,962	\$ 4,113,073	\$ 4,223,825	\$ 4,303,869	\$ 4,309,857	\$ 4,281,639
Special Purpose						
Agricultural Conservation Easement ..	76,700	83,635	86,970	82,865	78,655	74,335
Disaster Relief	45,135	40,240	35,260	30,025	24,520	18,865
Economic Revitalization	86,740	81,810	93,545	88,390	83,140	77,780
Keystone Recreation, Park & Conservation	24,000	49,000	46,690	44,365	42,025	39,670
Land and Water Development	105,740	85,940	71,020	57,885	45,795	33,255
Local Criminal Justice	164,275	173,935	182,590	175,220	167,560	159,595
Nursing Home Loan	12,720	9,920	6,985	5,230	3,405	2,720
PENNVEST — 1988 and 1992 Referenda	227,720	242,295	274,955	305,215	332,880	359,165
Project 70 Land Acquisition	3,380	2,790	2,160	1,490	770	.....
Refunding Bonds ¹	203,378	196,821	189,935	191,831	198,286	199,251
Vietnam Veterans Compensation	12,610	10,715	8,695	6,540	4,235	1,770
Volunteer Companies Loan	21,900	23,790	24,405	25,715	23,855	21,965
Water Facilities Loan — 1981 Referendum	133,280	129,465	128,035	126,190	124,500	122,350
TOTAL	\$ 5,053,540	\$ 5,243,429	\$ 5,375,070	\$ 5,444,830	\$ 5,439,483	\$ 5,392,360

¹Refunding Bonds used to refinance other general obligation bonds and lease rental payments to the General State Authority.

PUBLIC DEBT

FORECAST OF DEBT SERVICE ON BONDED DEBT

This table shows the amounts necessary to pay estimated debt service by the Commonwealth on currently outstanding bonded indebtedness and authority rentals and on projected bond issues. Further detail for Capital Budget bonds by category of project is contained in the Capital Budget section.

	(Dollar Amounts in Thousands)				
	1995-96	1996-97	1997-98	1998-99	1999-00
General Fund					
Capital Budget ¹	\$ 399,864	\$ 435,913	\$ 465,075	\$ 479,169	\$ 497,539
Agricultural Conservation Easement	7,424	8,418	9,037	8,920	8,799
Disaster Relief	7,185	7,002	6,981	6,961	6,821
Economic Revitalization	10,161	9,458	10,942	10,725	10,514
Land and Water Development	25,011	19,163	16,541	14,791	14,600
Local Criminal Justice	14,632	16,252	17,738	17,632	17,523
Keystone Recreation, Park and Conservation	2,852	5,254	5,131	5,008	4,883
Nursing Home Loan	3,566	3,515	2,175	2,114	879
PENNVEST—1988 & 1992 Referenda ...	23,485	26,422	31,319	35,976	38,765
Project 70 Land Acquisition	779	780	778	784	786
Refunding Bonds	28,439	34,463	31,681	24,214	22,648
Vietnam Veterans Compensation	2,575	2,578	2,582	2,592	2,602
Volunteer Companies Loan	3,462	3,811	3,186	3,380	3,269
Water Facilities Loan—1981 Referendum.	16,203	13,581	13,988	13,754	14,100
Less: Augmentations, Interest and Miscellaneous Revenue ²	-105,824	-9,754	-10,957	-13,070	-15,356
TOTAL	\$ 439,814	\$ 576,856	\$ 606,197	\$ 612,950	\$ 628,372
Motor License Fund					
Capital Budget—Highways	\$ 150,109	\$ 118,075	\$ 113,802	\$ 110,913	\$ 98,535
Capital Budget ¹	1,399	1,860	2,169	2,128	2,128
TOTAL	\$ 151,508	\$ 119,935	\$ 115,971	\$ 113,041	\$ 100,663
Fish Fund					
Capital Budget ¹	\$ 4	\$ 1	.....	.....	.....
Motor License Fund Restricted Receipts					
Aviation—Capital Budget ¹	\$ 1,245	\$ 1,680	\$ 1,990	\$ 1,973	\$ 1,973
Highway Bridge Improvement—Capital Budget ¹	30,063	29,218	29,695	29,578	28,465
TOTAL	\$ 31,308	\$ 30,898	\$ 31,685	\$ 31,551	\$ 30,438
TOTAL	\$ 622,634	\$ 727,690	\$ 753,853	\$ 757,542	\$ 759,473

¹Includes bonds issued to refund Capital Budget bonds and/or to refinance General State Authority rentals.

²Transfer of \$100 million from PIDA Escrow Fund included in 1995-96.

PUBLIC DEBT

TERMS OF BONDS ISSUED

The following table reflects the terms of the Commonwealth's general obligation bonds that were issued in the calendar year ending December 31, 1994.

Purpose of Bonds	Bond Date	Interest Rate	First and Last Year of Maturity	Original Amount in Thousands
Agricultural Easement	November 15, 1994	6.6%	1995-14	\$ 8,000
Capital Budget — Bridge Projects	June 15, 1994	5.4%	1995-14	\$ 25,000
Capital Budget — Buildings and Structures	March 15, 1994	5.4%	1995-14	\$ 35,000
	June 15, 1994	5.4%	1995-14	50,000
	November 15, 1994	6.6%	1995-14	85,000
Subtotal				\$ 170,000
Capital Budget — Furnishings and Equipment ..	March 15, 1994	5.4%	1995-04	\$ 2,000
	June 15, 1994	5.4%	1995-04	1,000
	November 15, 1994	6.6%	1995-05	7,000
Subtotal				\$ 10,000
Capital Budget — Redevelopment Assistance ..	March 15, 1994	5.4%	1995-14	\$ 10,000
	June 15, 1994	5.4%	1995-14	22,000
	November 15, 1994	6.6%	1995-14	42,000
Subtotal				\$ 74,000
Capital Budget — Transportation Assistance ...	March 15, 1994	5.4%	1995-14	\$ 5,000
	June 15, 1994	5.4%	1995-14	60,000
	November 15, 1994	6.6%	1995-14	80,000
Subtotal				\$ 145,000
Land & Water Development	March 15, 1994	5.4%	1995-14	\$ 2,000
Local Criminal Justice	March 15, 1994	5.4%	1995-14	\$ 17,000
	June 15, 1994	5.4%	1995-14	5,000
	November 15, 1994	6.6%	1995-14	47,000
Subtotal				\$ 69,000
PENNVEST — 1988 & 1992 Referenda	March 15, 1994	5.4%	1995-14	\$ 16,000
	June 15, 1994	5.4%	1995-14	16,000
Subtotal				\$ 32,000
Refunding	March 15, 1994	5.4%	1995-96	\$ 395,145
	June 15, 1994	5.4%	1995-96	286,616
	November 15, 1994	6.6%	1995-96	12,630
Subtotal				\$ 694,391
Volunteer Companies	March 15, 1994	5.4%	1995-14	\$ 4,000
	June 15, 1994	5.4%	1995-14	3,000
Subtotal				\$ 7,000
Water Facilities	March 15, 1994	5.4%	1995-14	\$ 8,000
	June 15, 1994	5.4%	1995-14	1,000
Subtotal				\$ 9,000
Keystone Parks & Recreation	November 15, 1994	* 6.6%	1995-14	\$ 9,000
TOTAL				<u>\$ 1,254,391</u>

PUBLIC DEBT

ANNUAL DEBT SERVICE ON OUTSTANDING GENERAL OBLIGATION BONDS Bonds Issued as of December 31, 1994

(Dollar Amounts in Thousands)

Fiscal Year	Capital Budget (Non-highway) ¹	Capital Budget (Highway) ²	Land and Water	Disaster Relief	Vietnam Veterans Comp.	Project 70	Volunteer Companies Loan	Keystone Parks & Recreation
1994-95	\$447,242	\$208,264	\$27,708	\$8,834	\$2,564	\$775	\$3,468	\$284
1995-96	383,672	180,170	25,011	7,185	2,575	779	3,402	812
1996-97	368,143	147,291	19,163	7,001	2,578	780	3,329	807
1997-98	350,139	143,494	16,541	6,981	2,581	778	2,356	808
1998-99	323,306	140,489	14,791	6,961	2,592	783	2,267	807
1999-00	313,412	126,999	14,600	6,820	2,601	785	2,188	806
2000-01	287,454	106,514	13,659	6,833	478	.....	2,098	803
2001-02	263,178	85,337	8,070	6,869	482	.....	2,028	804
2002-03	239,210	64,666	4,741	6,903	487	.....	1,659	803
2003-04	220,675	53,670	1,335	.....	491	.....	1,217	801
2004-05	199,927	36,627	1,326	.....	.....	.....	1,210	802
2005-06	184,123	36,723	1,320	.....	.....	.....	1,211	802
2006-07	165,610	33,547	1,357	.....	.....	.....	1,199	799
2007-08	151,588	31,029	1,348	.....	.....	.....	1,195	799
2008-09	140,708	26,869	1,342	.....	.....	.....	1,193	801
2009-10	122,269	21,620	1,327	.....	.....	.....	1,180	800
2010-11	108,726	19,776	1,320	.....	.....	.....	1,179	797
2011-12	99,894	17,222	1,248	.....	.....	.....	1,170	796
2012-13	73,938	9,388	1,083	.....	.....	.....	1,159	793
2013-14	41,567	2,012	317	.....	.....	.....	816	791
2014-15	18,814	.....	.....	.....	.....	.....	.....	791

Fiscal Year	Nursing Home Loan Agency	Agricultural Easement Purchase	Water Facilities Loans-1981 Referendum	PENNVEST 1988 & 1992 Referenda	Economic Revitalization	Local Criminal Justice	Refunding Bonds (Non-capital)	Total
1994-95	\$6,044	\$6,640	\$19,336	\$23,276	\$13,062	\$11,121	\$22,250	\$800,868
1995-96	3,566	7,054	16,128	23,105	10,160	13,856	28,438	705,913
1996-97	3,514	7,007	12,960	23,003	9,222	13,857	34,463	653,118
1997-98	2,175	6,943	12,781	22,565	9,061	13,862	31,680	622,745
1998-99	2,114	6,886	12,003	22,259	8,898	13,867	24,213	582,236
1999-00	879	6,825	11,879	20,762	8,742	13,869	22,648	553,815
2000-01	822	6,770	11,659	19,350	8,577	13,872	23,165	502,054
2001-02	764	6,701	11,535	19,252	8,402	13,879	21,675	448,976
2002-03	755	6,387	11,142	18,712	7,481	13,875	21,635	398,456
2003-04	195	6,339	10,509	18,585	7,355	13,883	21,126	356,181
2004-05	185	6,279	10,441	18,495	7,221	13,878	13,096	309,487
2005-06	175	6,227	10,371	18,407	7,095	13,874	7,446	287,774
2006-07	165	6,416	10,599	18,703	7,702	13,853	5,164	265,114
2007-08	.....	6,335	10,128	18,554	7,517	13,842	4,242	246,577
2008-09	.....	6,252	10,055	18,420	7,325	13,820	3,291	230,076
2009-10	.....	6,167	9,951	18,213	7,142	13,810	1,476	203,955
2010-11	.....	6,084	9,904	18,118	6,944	13,798	.....	186,646
2011-12	.....	5,756	9,503	17,537	5,997	13,779	.....	172,902
2012-13	.....	5,062	8,335	16,056	2,167	13,760	.....	131,741
2013-14	.....	2,655	3,167	6,831	384	7,963	.....	66,503
2014-15	.....	703	.....	.....	.....	4,187	.....	24,495

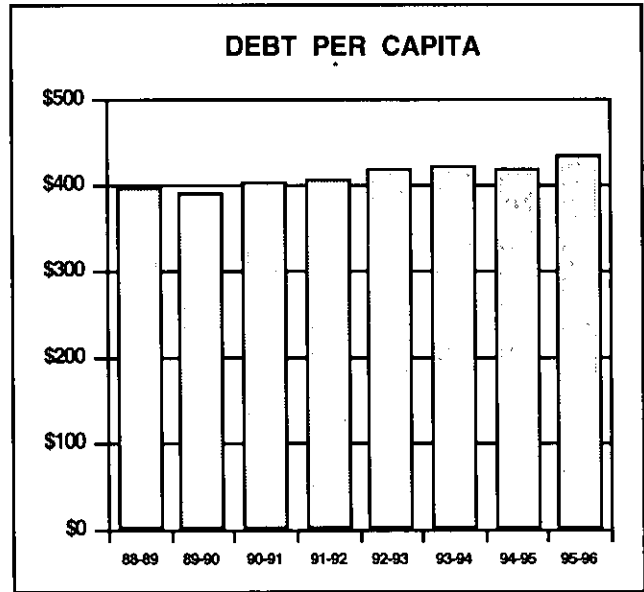
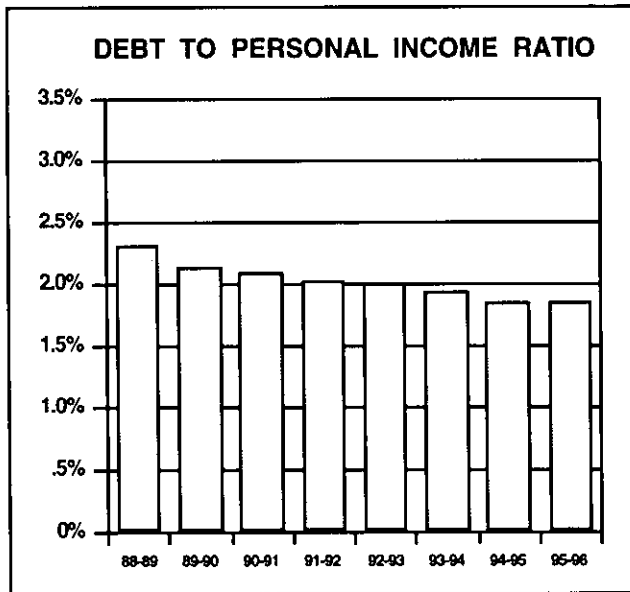
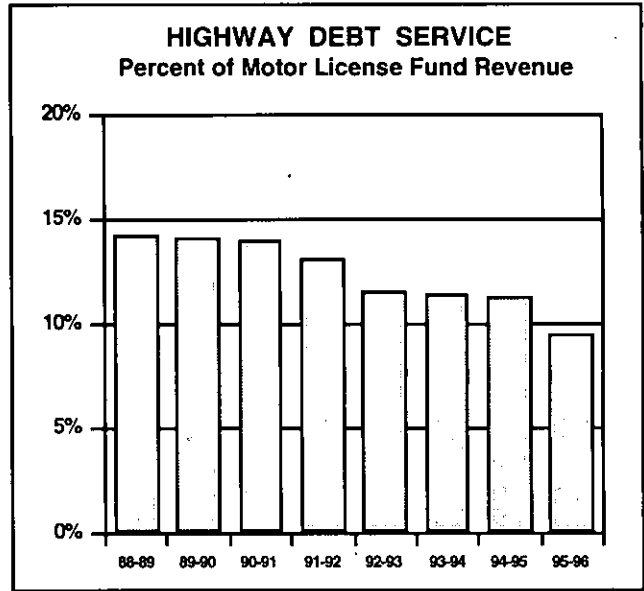
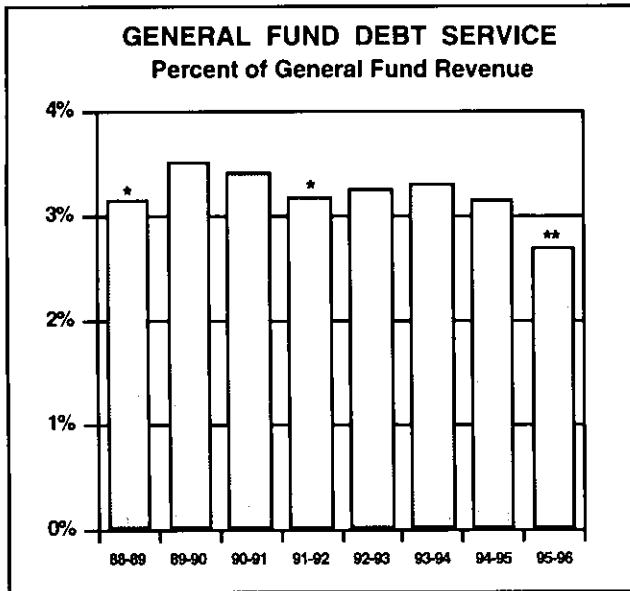
¹Debt service on bonds issued to refund Capital Budget Bonds and refinance General State Authority rentals is included.

²Debt service on bonds issued for Highway and Bridge programs and to refund these bonds.



Trends in Debt Service and Debt Ratios

1988-89 Through 1995-96



* Temporary drop due to bond refinancings.

** Temporary drop due to \$100 million transfer from PIDA escrow fund.

**OUTSTANDING INDEBTEDNESS OF
PENNSYLVANIA AGENCIES AND AUTHORITIES**

The indebtedness of the following agencies and authorities is not an obligation of the Commonwealth of Pennsylvania but represents the debt of those agencies and authorities created by the Commonwealth for a public purpose. These obligations are not considered as debt under Article VIII of the State Constitution.


As of December 31, 1994
(in thousands)
Bonds and Notes

Delaware River Joint Toll Bridge Commission Created by Pennsylvania and New Jersey to construct, operate and maintain bridges crossing the upper Delaware River. Debt service on the bonds is paid from tolls and other revenues of the commission.	\$ 56,260
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.	233,954
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.	659,940
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.	162,140
Pennsylvania Higher Education Assistance Agency Makes or guarantees student loans for graduate or undergraduate programs to students or parents, lending institutions or postsecondary institutions. Debt service on the bonds is paid by loan interest and repayments and by other agency revenues.	1,283,785
Pennsylvania Higher Educational Facilities Authority Acquires, constructs, improves and leases (as lessor) college facilities and makes loans to colleges and universities within the Commonwealth. Debt service on the bonds is paid from rentals and from loan repayments collected for the use of the facilities.	1,965,803
Pennsylvania Housing Finance Agency Makes construction and permanent mortgage loans to qualified borrowers for the purchase and construction of multi and single family housing for low and moderate income persons or families. Debt service on the bonds is paid from mortgage loan interest and repayments and further secured by a "moral obligation" of the Commonwealth.	2,083,642
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.	357,308
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.	227,500
Pennsylvania Turnpike Commission Constructs, maintains and operates the Pennsylvania Turnpike. Debt service on the bonds is paid from tolls and other revenue sources of the commission.	1,252,560
Philadelphia Regional Port Authority Created in 1989 for the purpose of acquiring and operating 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.	63,895
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.	286,810
TOTAL	<u>\$ 8,633,597</u>



Governor's Executive Budget

OTHER
SPECIAL FUNDS



Commonwealth of Pennsylvania

OTHER SPECIAL FUNDS APPENDIX

This section provides brief descriptive and financial data for Commonwealth funds not given an expanded treatment in other sections of the Governor's Budget. This information is presented to demonstrate the magnitude and complexity of the Commonwealth's financial structure as well as give some details of the various funds.

OTHER SPECIAL FUNDS

This appendix contains a brief presentation of all active Commonwealth funds not given an expanded treatment in the other sections of the budget.

In a limited number of cases expenditures from funds presented in this section are included in other presentations.

Generally, the Commonwealth uses a modified accrual basis of accounting for financial reporting where certain revenues are accrued and expenditures are reflected when disbursed or committed. Unless otherwise noted in the fund description, all financial data shown herein is on a strictly cash basis, which means that the beginning and ending balances are cash plus investments. Receipts include only those items actually received and credited to the funds by the Department of Revenue. Disbursements represent checks drawn by the Treasury Department and do not include commitments, encumbrances or vouchers payable.

Several funds carrying long-term investments show an adjustment to reflect the current market value of those investments as of June 30, 1994.

This format for displaying financial data was chosen for its simplicity and easy adaptability to all funds. As such, the data may not present the best statement of the funds' condition nor accurately describe the operating characteristics of the funds.

One recurring detail on the financial statements requires further explanation. In those funds with complement, the State share of retirement is taken from general revenue of the fund and paid into a restricted account within the fund from which payments are made to the State Employees' Retirement Fund by the Executive Offices. Receipts and disbursements shown as a result of such transactions may not be equal within any given fiscal year.

The vast majority of Commonwealth day-to-day activities are financed from the General Fund; however, over time a large number of other funds have been created

to more closely relate specific revenue sources to specific programs or to identify particular government programs or activities. These special funds are categorized into six groups to aid in identifying their purpose. These groups are defined below.

Special Revenue Funds — These funds are used to account for revenues from specific taxes or other earmarked revenue sources which by law are designated to finance particular functions or activities.

Internal Service Funds — These funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the Commonwealth, or to other governmental units, on a cost-reimbursement basis.

Bond Funds — Bond Funds are used to account for the receipt and disbursement of bond sale proceeds which normally finance the construction or acquisition of designated fixed assets.

Debt Service Funds — These funds account for the accumulation of resources, principally from transfers from other funds, for the payment of general long-term debt principal and interest.

Trust and Agency Funds — These funds are used to account for assets held by the Commonwealth as trustee or agent for individuals, private organizations and other governmental units.

Enterprise Funds — These funds accommodate the operation of public service programs financed wholly or mostly by user charges, or where the periodic determination of net income is deemed appropriate.

ACID MINE DRAINAGE ABATEMENT AND TREATMENT FUND

This fund was created in 1992 to receive money authorized by Title IV of the Federal Surface Mining Control and Reclamation Act. This fund receives up to ten percent of the Commonwealth's Federal Title IV grant for abandoned mine reclamation. Funds are used for acid mine drainage abatement and treatment.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 3,832	\$ 5,921	\$ 6,187
Receipts:			
Federal Funds	\$ 1,943	\$ 2,000	\$ 2,000
Interest	146	266	278
Total Receipts	<u>2,089</u>	<u>2,266</u>	<u>2,278</u>
Total Funds Available	\$ 5,921	\$ 8,187	\$ 8,465
Disbursements:			
Environmental Protection .....	.....	\$ 2,000	\$ 3,046
Total Disbursements .....	.....	<u>-2,000</u>	<u>-3,046</u>
Cash Balance, Ending	<u>\$ 5,921</u>	<u>\$ 6,187</u>	<u>\$ 5,419</u>

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)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 2,687	\$ 5,013	\$ 2,642
Receipts:			
Federal Unemployment Trust Fund ..	\$ 186,729	\$ 169,729	\$ 174,821
Other Federal Funds	10,804	12,260	12,628
Other	12,018	12,500	12,875
Total Receipts	<u>209,551</u>	<u>194,489</u>	<u>200,324</u>
Total Funds Available	\$ 212,238	\$ 199,502	\$ 202,966
Disbursements:			
Executive Offices	\$ 8,249	\$ 8,500	\$ 8,755
Labor and Industry	198,976	188,360	192,000
Total Disbursements	<u>-207,225</u>	<u>-196,860</u>	<u>-200,755</u>
Cash Balance, Ending	<u>\$ 5,013</u>	<u>\$ 2,642</u>	<u>\$ 2,211</u>

AGRICULTURAL COLLEGE LAND SCRIP FUND

This fund was established in 1862 with \$500,000 received from the sale of lands and scrip which was donated to the Commonwealth by an Act of Congress to establish a college for the benefit of Agriculture and the Mechanical Arts (Pennsylvania State University). The income derived from the investment of the money in the fund plus appropriations which may be made from time to time by the General Assembly serve as revenue to the fund. Moneys in this fund can be disbursed only for use by the officially designated land grant college (Pennsylvania State University) for the benefit of Agriculture and Mechanical Arts. The net investment adjustment shown below is to reflect market value of long term investments as of June 30.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 665	\$ 636	\$ 635
Receipts:			
Interest on Securities	\$ 36	\$ 39	\$ 39
Net Investment Adjustment	<u>-28</u>	<u>.....</u>	<u>.....</u>
Total Receipts	<u>8</u>	<u>39</u>	<u>39</u>
Total Funds Available	\$ 673	\$ 675	\$ 674
Disbursements:			
Treasury	\$ 37	\$ 40	\$ 40
Total Disbursements	<u>-37</u>	<u>-40</u>	<u>-40</u>
Cash Balance, Ending	\$ 636	\$ 635	\$ 634

AGRICULTURAL CONSERVATION EASEMENT PURCHASE FUND

This fund was created by Act 64 of 1988 to implement the referendum approved by the electorate November 8, 1988. That referendum authorized the Commonwealth to incur indebtedness of \$100 million to be used for the purchase of agricultural conservation easements. Act 23 of 1992 increased the annual ceiling on easement purchases from bond sales from \$20 to \$25 million. Act 22 of 1991 provided that two thirty-firsts of the cigarette tax be transferred twice a year into the fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 169	\$ 3,081	\$ 2,081
Receipts:			
Sale of Bonds	\$ 24,629	\$ 10,000	\$ 10,000
Interest on Securities	165	100	100
Transfer of Cigarette Tax	11,135	22,200	21,800
Transfer from General Fund	20,000	<u>.....</u>	<u>.....</u>
Other	<u>87</u>	<u>.....</u>	<u>.....</u>
Total Receipts	<u>56,016</u>	<u>32,300</u>	<u>31,900</u>
Total Funds Available	\$ 56,185	\$ 35,381	\$ 33,981
Disbursements:			
Agriculture	\$ 33,089	\$ 33,300	\$ 33,500
Treasury	15	<u>.....</u>	<u>.....</u>
Transfer to General Fund	<u>20,000</u>	<u>.....</u>	<u>.....</u>
Total Disbursements	<u>-53,104</u>	<u>-33,300</u>	<u>-33,500</u>
Cash Balance, Ending	\$ 3,081	\$ 2,081	\$ 481

AGRICULTURAL CONSERVATION EASEMENT PURCHASE SINKING FUND

Payment of interest and principal due on outstanding agricultural conservation easement purchase bonds is made from this fund. Revenues of this fund come from annual appropriations by the General Assembly and from a portion of the interest earned in the Agricultural Conservation Easement Purchase Fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning .....	.....	\$ 1	.....
Receipts:			
Transfer from General Fund	\$ 5,142	\$ 6,600	\$ 7,424
Accrued Interest on Bonds Sold	27	39	.....
Total Receipts	5,169	6,639	7,424
Total Funds Available	\$ 5,169	\$ 6,640	\$ 7,424
Disbursements:			
Treasury	\$ 5,168	\$ 6,640	\$ 7,424
Total Disbursements	-5,168	-6,640	-7,424
Cash Balance, Ending	\$ 1	.....	.....

AIR QUALITY IMPROVEMENT FUND

This fund was created by Act 95 of 1992, which authorized the Governor to provide funding via a transfer of up to \$3 million from the Hazardous Sites Cleanup Fund. Funds are used to provide loans to Pennsylvania small businesses to reduce or prevent air pollution through the purchase and installation of air pollution control equipment and facilities, the purchase of equipment to make operational changes and the modification of production practices. The act also provides that the Air Quality Improvement Fund shall repay the Hazardous Sites Cleanup Fund over a ten year period from loan repayments, with the first such repayment to be made after the fifth year.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning .....	.....	\$ 3	\$ 2,118
Receipts:			
Transfer from Hazardous Sites Cleanup Fund .....	.....	\$ 3,000	.....
Interest .....	.....	100	\$ 100
Loan Repayments .....	.....	20	380
Miscellaneous	\$ 3	25	2
Total Receipts	3	3,145	482
Total Funds Available	\$ 3	\$ 3,148	\$ 2,600
Disbursements:			
Commerce .....	.....	\$ 1,030	\$ 2,020
Total Disbursements .....	.....	-1,030	-2,020
Cash Balance, Ending	\$ 3	\$ 2,118	\$ 580

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.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 254	\$ 255	\$ 178
Receipts:			
Transfer from the General Fund .....	.....	.....	.....
Operator Payments .....	.....	\$ 5	\$ 5
Production Fees	\$ 7	8	9
Interest	9	10	10
Total Receipts	<u>16</u>	<u>23</u>	<u>24</u>
Total Funds Available	\$ 270	\$ 278	\$ 202
Disbursements:			
Environmental Protection	\$ 15	\$ 100	\$ 15
Total Disbursements	<u>-15</u>	<u>-100</u>	<u>-15</u>
Cash Balance, Ending	<u>\$ 255</u>	<u>\$ 178</u>	<u>\$ 187</u>

BEN FRANKLIN/IRC PARTNERSHIP FUND

This fund was created by Act 64 of 1993 for the receipt and disbursement of all appropriations and other funds made available to the Ben Franklin Partnership and the Industrial Resource Centers (IRC), with the further provision that funds appropriated by the General Assembly for each respective program will be used solely for that program. In addition, any other moneys, including Federal funds, which are earmarked for a specific program or purpose must be allocated to that program or purpose.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 275
Receipts:			
Transfer from General Fund	\$ 32,290	\$ 35,000
Federal Funds	880	1,500
Miscellaneous	1,625	1,625
Total Receipts	<u>.....</u>	<u>34,795</u>	<u>38,125</u>
Total Funds Available	\$ 34,795	\$ 38,400
Disbursements:			
Commerce	\$ 34,520	\$ 37,500
Total Expenditures	<u>.....</u>	<u>-34,520</u>	<u>-37,500</u>
Cash Balance, Ending	<u>.....</u>	<u>\$ 275</u>	<u>\$ 900</u>

CAPITAL DEBT FUND

Principal and interest payments on bonds issued for purposes of capital budget projects are paid from this fund. Annual appropriations by the General Assembly for payment of interest and principal due on general obligation bonds are the primary source of revenue. Funds in excess of the interest and principal falling due in any one particular fiscal year may be used by the Board of Finance and Revenue to retire any other general obligation bonds issued to provide revenue to the Capital Facilities Fund.

Statement of Cash Receipts and Disbursements

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 13,747	\$ 26,792	.....
Receipts:			
Transfer from Other Funds	\$ 636,325	\$ 578,932	\$ 583,711
Rentals — State-Aided and State-Related Institutions	3,964	2,038	2,038
Interest Subsidy — Higher Education Construction Projects	158	158	158
Refunding Bond Maturing Escrow Funds	861,261	384,448	204,626
Accrued Interest on Bonds Sold	1,844	1,105	.....
Interest on Securities	521	876	100
Bond Sale for BANs Repayment	3,000	.....	.....
Sale of State Property	14,824	.....	.....
Total Receipts	<u>1,521,897</u>	<u>967,557</u>	<u>790,633</u>
Total Funds Available	\$ 1,535,644	\$ 994,349	\$ 790,633
Disbursements:			
Treasury	<u>\$ 1,508,852</u>	<u>\$ 994,349</u>	<u>\$ 790,633</u>
Total Disbursements	<u>-1,508,852</u>	<u>-994,349</u>	<u>-790,633</u>
Cash Balance, Ending	<u>\$ 26,792</u>	<u>.....</u>	<u>.....</u>

CAPITAL FACILITIES FUND

Monies in this fund are used to meet the financial costs of capital projects as 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 the annual tax revenues deposited in the preceding five fiscal years. This fund has at least one account for each category of capital projects. Interest earned on investment or deposit of monies in the fund is credited to the account in the fund to which such invested or deposited money was originally credited. Project money that remained after the refunding of the General State Authority was deposited in this fund. This money is used for the maintenance and repair of General State Authority projects.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 160,905	\$ 183,588	\$ 44,503
Receipts:			
Sale of Bonds	\$ 300,643	\$ 315,315	\$ 481,140
Interest on Securities	4,125	4,644	1,321
Interest on Grant Funds — Redevelopment Assistance Projects	81	200	.....
Other	18,952	.....	.....
Total Receipts	<u>323,801</u>	<u>320,159</u>	<u>482,461</u>
Total Funds Available	\$ 484,706	\$ 503,747	\$ 526,964
Disbursements:			
Community Affairs	\$ 8,226	\$ 67,195	\$ 94,701
Environmental Protection	1,599	857	4,380
General Services	137,148	185,978	289,714
Transportation	145,419	203,621	108,000
Treasury	8,726	1,593	2,430
Total Disbursements	<u>-301,118</u>	<u>-459,244</u>	<u>-499,225</u>
Cash Balance, Ending	<u>\$ 183,588</u>	<u>\$ 44,503</u>	<u>\$ 27,739</u>

CAPITOL RESTORATION TRUST FUND

This fund was created in 1982 to finance the maintenance, restoration, preservation and rehabilitation of artifacts, documents and other historical objects or resources located within and around or associated with the State Capitol Building, and the acquisition of artifacts, documents and other historical objects or resources which contribute to the historical significance of the State Capitol Building. This fund is administered by the Capitol Preservation Committee. Revenue is derived from gifts, donations and legacies of money from individuals, organizations, public or private corporations, and from the sale of commemorative medals and other items of a similar nature which promote the historic preservation and restoration of the State Capitol Building.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 152	\$ 174	\$ 172
Receipts:			
Contributions and Sales	\$ 17	\$ 17	\$ 17
Other	5	6	6
Total Receipts	<u>22</u>	<u>23</u>	<u>23</u>
Total Funds Available	\$ 174	\$ 197	\$ 195
Disbursements:			
Capitol Preservation Committee .....	.....	\$ 25	.....
Total Disbursements	<u>.....</u>	<u>-25</u>	<u>.....</u>
Cash Balance, Ending	\$ 174	\$ 172	\$ 195

CATASTROPHIC LOSS BENEFITS CONTINUATION FUND

This fund was established by Act 24 of 1989 to replace the Catastrophic Loss Trust Fund. The purpose of the Continuation Fund is to pay all medical claims owed by the Catastrophic Loss Trust Fund. Monies in the former Catastrophic Loss Trust Fund were transferred to this fund effective July 1, 1989. Additional revenue is obtained from a surcharge on certain motor vehicle moving violations.

Act 70 of 1990 permits the Continuation Fund to borrow from the Workers' Compensation Security Fund. A final loan repayment of \$6,792,245 is included in disbursements for the 1994-95 fiscal year.

No obligation or expense of, or claim against this fund constitutes a debt of the Commonwealth or a charge against the General Fund or Motor License Fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 16,799	\$ 22,956	\$ 23,819
Receipts:			
Moving Violation Surcharge	\$ 31,625	\$ 34,000	\$ 34,000
Interest	822	1,000	1,000
Miscellaneous	10	10	10
Total Receipts	<u>32,457</u>	<u>35,010</u>	<u>35,010</u>
Total Funds Available	\$ 49,256	\$ 57,966	\$ 58,829
Disbursements:			
Executive Offices	\$ 10	\$ 10	\$ 10
Insurance	26,290	34,137	15,223
Total Disbursements	<u>-26,300</u>	<u>-34,147</u>	<u>-15,233</u>
Cash Balance, Ending	\$ 22,956	\$ 23,819	\$ 43,596

CHILDREN'S TRUST FUND

Act 151 of 1988 created the Children's Trust Fund. Revenue is generated by a \$10 fee on marriage licenses and divorce applications. Expenditures are for community-based children's programs and services for child abuse and neglect prevention.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 3,601	\$ 3,765	\$ 2,828
Receipts:			
Marriage/Divorce Surcharge	\$ 1,242	\$ 1,280	\$ 1,304
Miscellaneous Revenue	126	130	140
Total Receipts	<u>1,368</u>	<u>1,410</u>	<u>1,444</u>
Total Funds Available	\$ 4,969	\$ 5,175	\$ 4,272
Disbursements:			
Public Welfare	\$ 1,204	\$ 2,347	\$ 2,215
Total Disbursements	<u>-1,204</u>	<u>-2,347</u>	<u>-2,215</u>
Cash Balance, Ending	<u>\$ 3,765</u>	<u>\$ 2,828</u>	<u>\$ 2,057</u>

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)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 15,394	\$ 18,483	\$ 13,294
Receipts:			
Fines and Penalties	\$ 3,031	\$ 3,040	\$ 2,840
Fees	8,551	8,350	16,182
Interest	720	546	616
Other	187	.....	.....
Total Receipts	<u>12,489</u>	<u>11,936</u>	<u>19,638</u>
Total Funds Available	\$ 27,883	\$ 30,419	\$ 32,932
Disbursements:			
Executive Offices	\$ 134	.....	.....
Environmental Protection	9,266	\$ 17,125	\$ 20,321
Total Disbursements	<u>-9,400</u>	<u>-17,125</u>	<u>-20,321</u>
Cash Balance, Ending	<u>\$ 18,483</u>	<u>\$ 13,294</u>	<u>\$ 12,611</u>

COAL AND CLAY MINE SUBSIDENCE INSURANCE FUND

This fund was created in 1961 to provide insurance to home owners in mining areas against damages resulting from subsidence. Revenue is derived from premiums paid by policy-holders for subsidence insurance. The net investment adjustment shown below reflects carrying value of long-term investments as of June 30.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 13,569	\$ 14,900	\$ 14,939
Receipts:			
Premiums Collected	\$ 2,822	\$ 2,850	\$ 2,900
Interest	498	600	600
Net Investment Adjustment	-13	.....	.....
Other	42	.....	.....
Total Receipts	<u>3,349</u>	<u>3,450</u>	<u>3,500</u>
Total Funds Available	\$ 16,918	\$ 18,350	\$ 18,439
Disbursements:			
Executive Offices	\$ 43	.....	.....
Environmental Protection	<u>1,975</u>	<u>\$ 3,411</u>	<u>\$ 3,402</u>
Total Disbursements	<u>-2,018</u>	<u>-3,411</u>	<u>-3,402</u>
Cash Balance, Ending	<u>\$ 14,900</u>	<u>\$ 14,939</u>	<u>\$ 15,037</u>

COAL LANDS IMPROVEMENT FUND

This fund was created in 1965 to finance the restoration of land acquired by the Commonwealth through eminent domain or amicable methods which has been defaced by open pit or strip mining and has been declared a health hazard. Initially the fund was provided a \$1 million appropriation, but subsequent revenue is derived from the sale of restored land and interest on investments.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 279	\$ 289	\$ 299
Receipts:			
Sale of Land .....	.....	.....	.....
Interest	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 10</u>
Total Receipts	<u>10</u>	<u>10</u>	<u>10</u>
Total Funds Available	\$ 289	\$ 299	\$ 309
Disbursements:			
Environmental Protection .....	.....	.....	.....
Total Disbursements .....	.....	.....	.....
Cash Balance, Ending	<u>\$ 289</u>	<u>\$ 299</u>	<u>\$ 309</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 income and interest from the \$20,000 perpetual endowment created by the estate of Colonel Conrad Weiser.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 51	\$ 53	\$ 29
Receipts:			
Interest on Securities	\$ 2	\$ 2	\$ 1
Total Receipts	<u>2</u>	<u>2</u>	<u>1</u>
Total Funds Available	\$ 53	\$ 55	\$ 30
Disbursements:			
Historical and Museum Commission .....	.....	26	3
Total Disbursements .....	.....	<u>-26</u>	<u>-3</u>
Cash Balance, Ending	<u>\$ 53</u>	<u>\$ 29</u>	<u>\$ 27</u>

DEFERRED COMPENSATION FUND

On November 6, 1987, Act 81 was signed into law establishing 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. This fund is used as a holding account until monies are transferred to one of the investment plan options. Interest earned while the monies are held is used to offset administrative expenses. The disbursements shown under the Executive Offices and the State Employees' Retirement System 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 separation or financial hardship. Funds in this program, including interest, are expected to total \$266 million in 1995-96. The number of employees and the level of their contributions is expected to increase over the next several years.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 124	\$ 237	\$ 380
Receipts:			
Employee Contributions	\$ 55,974	\$ 60,163	\$ 65,600
Interest	<u>1</u>	<u>11</u>	<u>13</u>
Total Receipts	<u>55,975</u>	<u>60,174</u>	<u>65,613</u>
Total Funds Available	\$ 56,099	\$ 60,411	\$ 65,993
Disbursements:			
Executive Offices	\$ 39,478	\$ 46,458	\$ 50,500
State Employees' Retirement System	<u>16,384</u>	<u>13,573</u>	<u>15,000</u>
Total Disbursements	<u>-55,862</u>	<u>-60,031</u>	<u>-65,500</u>
Cash Balance, Ending	<u>\$ 237</u>	<u>\$ 380</u>	<u>\$ 493</u>

DEFERRED COMPENSATION FUND — SHORT-TERM PORTFOLIO

On November 6, 1987, Act 81 was signed into law establishing the 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)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 9,011	\$ 9,366	\$ 5,800
Receipts:			
Transfers from Deferred Compensation Fund	\$ 29	\$ 3,644	\$ 4,125
Interest	326	390	425
Total Receipts	355	4,034	4,550
Total Funds Available	\$ 9,366	\$ 13,400	\$ 10,350
Disbursements:			
State Employees' Retirement System .....	.....	\$ 7,600	\$ 3,750
Total Disbursements .....	.....	-7,600	-3,750
Cash Balance, Ending	\$ 9,366	\$ 5,800	\$ 6,600

DISASTER RELIEF FUND

Act 4 of the 1972 Second Special Legislative Session provided authority for implementation of a \$140 million bond issue for redevelopment of flooded areas within the Commonwealth destroyed by the great storms and flood of September 1971 and June 1972. This was amended in October 1978 to include the flood of July 1977 and to increase the bond authority by \$50 million to \$190 million. The proceeds from these bonds are paid into the Disaster Relief Fund which is administered by the Department of Community Affairs. All redevelopment activity in this program was completed during July 1991. Fund receipts are transferred to the Disaster Relief Redemption Fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 1	\$ 168	.....
Receipts:			
Interest on Securities	\$ 2	15	.....
Interest of Grant Bank Account	249	750	.....
Total Receipts	251	765	.....
Total Funds Available	\$ 252	\$ 933	.....
Disbursements:			
Transfer to Disaster Relief Redemption Fund	\$ 84	\$ 933	.....
Total Disbursements	-84	-933	.....
Cash Balance, Ending	\$ 168	.....	.....

DISASTER RELIEF REDEMPTION FUND

Payment of interest and principal due on bonds issued for the Disaster Relief Fund are made from this fund. Funds in excess of the interest and principal due in any one fiscal period may be used for retirement of all or any part of such bonds issued which are still outstanding. The receipts of this fund include annual General Fund appropriations sufficient to pay interest and principal due on the disaster relief bonds and repayment of monies provided from the Disaster Relief Fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 332	.....	.....
Receipts:			
Transfer from General Fund	\$ 10,022	\$ 7,022	\$ 7,185
Transfer from Disaster Relief Fund	84	933	.....
Interest on Securities	1	.....	.....
Total Receipts	<u>10,107</u>	<u>8,835</u>	<u>7,185</u>
Total Funds Available	\$ 10,439	\$ 8,835	\$ 7,185
Disbursements:			
Treasury	\$ 10,439	\$ 8,835	\$ 7,185
Total Disbursements	<u>-10,439</u>	<u>-8,835</u>	<u>-7,185</u>
Cash Balance, Ending	<u>.....</u>	<u>.....</u>	<u>.....</u>

EMERGENCY MEDICAL SERVICES OPERATING FUND

The purpose of this fund is to assist in activities relating to the prevention and reduction of premature death and disability in this Commonwealth; provide assistance, coordination and support of the development and maintenance of a comprehensive emergency medical services system; determine qualifications, eligibility and certification of emergency medical services personnel; and fund ambulance services. The fund was created by The Emergency Medical Services Act (Act 45) enacted on July 7, 1985. Act 121 of 1988 added a \$25 fee on persons admitted to programs for Accelerated Rehabilitative Disposition (ARD) related to driving under the influence of drugs and/or alcohol.

In addition to the fee imposed by Act 121, revenue is derived from a \$10 fine levied on all moving traffic violations. These fines are in addition to other fines imposed at the discretion of the court. This statement includes both the Emergency Medical and Catastrophic Medical and Rehabilitation components of the act.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 18,739	\$ 11,481	\$ 3,965
Receipts:			
Fines	\$ 9,732	\$ 9,874	\$ 9,874
Interest	550	459	159
Total Receipts	<u>10,282</u>	<u>10,333</u>	<u>10,033</u>
Total Funds Available	\$ 29,021	\$ 21,814	\$ 13,998
Disbursements:			
Health	\$ 17,540	\$ 17,849	\$ 12,000
Total Disbursements	<u>-17,540</u>	<u>-17,849</u>	<u>-12,000</u>
Cash Balance, Ending	<u>\$ 11,481</u>	<u>\$ 3,965</u>	<u>\$ 1,998</u>

EMPLOYMENT FUND FOR THE BLIND

This fund, administered by the Department of Public Welfare, was created June 13, 1967 to make loans to blind persons to purchase equipment, stock, merchandise and accessories necessary to put into operation vending or refreshment stands or other suitable business enterprises in suitable locations to be leased or arranged for by the Department of Public Welfare.

Monies credited to this fund include: (1) repayment of money advanced to blind persons for the purchase of merchandise, equipment, stock and accessories; (2) rental fees paid by blind persons for leasing equipment and accessories purchased, owned, installed and maintained by the Department of Public Welfare; (3) a percentage of the profits from vending machines in State buildings where a restaurant or cafeteria is operated by the Department of General Services; and (4) any grants or contributions from the Federal government.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 1,057	\$ 1,740	\$ 1,763
Receipts:			
Federal Reimbursement — Business Enterprise Program	\$ 438	\$ 250	\$ 250
Vending Stand Equipment Rentals	205	185	185
Vending Machine Receipts	353	500	500
Interest	50	30	30
Other	234	5	5
Total Receipts	<u>1,280</u>	<u>970</u>	<u>970</u>
Total Funds Available	\$ 2,337	\$ 2,710	\$ 2,733
Disbursements:			
Treasury .....	.....	\$ 5	\$ 5
Public Welfare	\$ 597	942	674
Total Disbursements	<u>-597</u>	<u>-947</u>	<u>-679</u>
Cash Balance, Ending	\$ 1,740	\$ 1,763	\$ 2,054

ENERGY DEVELOPMENT FUND

The Energy Development Fund was created by Act 280 of 1982. The fund provides the vehicle to accomplish the purposes of the Pennsylvania Energy Development Authority including the sale of bonds. Activities of the fund include preparation of the energy development plan, payment of initial administrative costs, the making of grants and loans for limited research which will 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 an appropriation from the General Fund as well as from interest earnings.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 2,940	\$ 1,983	.....
Receipts:			
Transfer from General Fund	\$ 300	\$ 300	.....
Interest	93	80	.....
Other	3	2	.....
Total Receipts	<u>396</u>	<u>382</u>	<u>.....</u>
Total Funds Available	\$ 3,336	\$ 2,365	.....
Disbursements:			
Executive Offices	\$ 1,353 ^a	\$ 2,365 ^a	.....
Environmental Protection .....	.....^a	.....^a	.....
Total Disbursements	<u>-1,353</u>	<u>-2,365</u>	<u>.....</u>
Cash Balance, Ending	\$ 1,983	.....	.....

^aProgram to be transferred from Executive Offices to the Department of Environmental Protection in 1995-96.

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.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning .....	.....	\$ 599	\$ 149
Receipts:			
Transfers from other funds	\$ 633	\$ 650	\$ 650
Interest	14	25	10
Other	1	.....	.....
Total Receipts	<u>648</u>	<u>675</u>	<u>660</u>
Total Funds Available	\$ 648	\$ 1,274	\$ 809
Disbursements:			
Environmental Protection	\$ 49	\$ 1,125	\$ 609
Total Disbursements	<u>-49</u>	<u>-1,125</u>	<u>-609</u>
Cash Balance, Ending	<u>\$ 599</u>	<u>\$ 149</u>	<u>\$ 200</u>

FINANCIALLY DISTRESSED MUNICIPALITIES REVOLVING AID FUND

This fund was created by Act 157 of 1988 to make loans and grants to assist municipalities that are declared financially distressed. Initial funding was provided through the transfer of all 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. The General Fund Distressed Communities Assistance appropriation to Community Affairs is transferred to this fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 1,686	\$ 3,308	\$ 1,890
Receipts:			
Transfer from General Fund	\$ 2,740	\$ 600	\$ 1,200
Loan Repayments	1,694	1,098	1,000
Interest	147	130	100
Total Receipts	<u>4,581</u>	<u>1,828</u>	<u>2,300</u>
Total Funds Available	\$ 6,267	\$ 5,136	\$ 4,190
Disbursements:			
Community Affairs	\$ 2,959	\$ 3,246	\$ 3,000
Total Disbursements	<u>-2,959</u>	<u>-3,246</u>	<u>-3,000</u>
Cash Balance, Ending	<u>\$ 3,308</u>	<u>\$ 1,890</u>	<u>\$ 1,190</u>

FIRE INSURANCE TAX FUND

The revenue for the Fire Insurance Tax Fund results from the two percent tax paid upon premiums received from foreign (out-of-state) fire insurance companies on business done within the Commonwealth. The funds are distributed based on the population and market value of real estate of each municipality. In addition, the distribution formula provides for differential payment for paid and volunteer firefighters. The amount to be distributed based on paid firefighters is transferred to the Municipal Pension Aid Fund for payment. This money must be paid by the local governmental organization into the relief, pension or retirement fund of the recognized fire fighting organization serving the city, town, township or borough.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 50,695	\$ 51,949	\$ 51,949
Receipts:			
Foreign Fire Insurance Premiums			
Tax Payable to Municipalities ..	\$ 51,854	\$ 50,000	\$ 50,000
Total Receipts	<u>51,854</u>	<u>50,000</u>	<u>50,000</u>
Total Funds Available	\$ 102,549	\$ 101,949	\$ 101,949
Disbursements:			
Auditor General	\$ 50,600	\$ 50,000	\$ 50,000
Total Disbursements	<u>-50,600</u>	<u>-50,000</u>	<u>-50,000</u>
Cash Balance, Ending	\$ 51,949	\$ 51,949	\$ 51,949

HAZARDOUS MATERIAL RESPONSE FUND

This fund was created by Act 165 of 1990 to carry out Pennsylvania's responsibilities under Title III of the Federal Superfund Amendments and Reauthorization Act (SARA Title III). Revenue is generated from toxic chemical registration fees and toxic chemical release form fees. Expenditures are for training programs for hazardous material response teams, public education programs, grants to counties to support their SARA Title III activities and for administration of the program including data collection and management.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 825	\$ 1,126	.....
Receipts:			
Toxic Release Inventory Registration			
Fee	\$ 26	.....	.....
Chemical Inventory Fee	1,020	\$ 1,100	\$ 1,100
Toxic Chemical Release Form Fee ..	286	220	220
Interest on Securities	28	30	30
Miscellaneous	117	.....	.....
Total Receipts	<u>1,477</u>	<u>1,350</u>	<u>1,350</u>
Total Funds Available	\$ 2,302	\$ 2,476	\$ 1,350
Disbursements:			
Emergency Management Agency ...	\$ 1,174	\$ 2,117	\$ 1,240
Labor and Industry	1	359	110
Executive Offices	1	.....	.....
Total Disbursements	<u>-1,176</u>	<u>-2,476</u>	<u>-1,350</u>
Cash Balance, Ending	\$ 1,126	.....	.....

HAZARDOUS SITES CLEANUP FUND

This fund was created by Act 58 of 1987 to finance the cleanup and restoration of abandoned hazardous waste sites in the Commonwealth. Revenue is generated from a portion of the Capital Stock and Franchise Tax and a Hazardous Waste Fee as well as money received from parties determined responsible for site contamination. Expenditures are for cleaning up abandoned hazardous waste sites throughout the Commonwealth and restoring the land to productive use. Act 95 of 1992 authorizes a transfer of up to \$3 million to the Air Quality Improvement Fund to capitalize a loan program to small businesses. This amount is to be repaid between the 1997-98 and the 2002-03 fiscal year.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 93,786	\$ 101,553	\$ 75,147
Receipts:			
Capital Stock and Franchise Tax ...	\$ 34,129	\$ 37,100	\$ 38,400
Hazardous Waste Fee	2,931	3,000	3,150
Transfer from General Fund .....	.....	.....	28,960 ^a
Cost Recovery	844	2,000	2,000
Interest	3,183	2,861	1,954
Federal Funds	468	250	.....
Other	925	334	.....
Total Receipts	<u>42,480</u>	<u>45,545</u>	<u>74,464</u>
Total Funds Available	\$ 136,266	\$ 147,098	\$ 149,611
Disbursements:			
Executive Offices	\$ 798	.....	.....
Commerce .....	.....	\$ 3,000 ^b	.....
Environmental Protection	<u>33,915</u>	<u>68,951</u>	<u>\$ 77,750</u>
Total Disbursements	<u>-34,713</u>	<u>-71,951</u>	<u>-77,750</u>
Cash Balance, Ending	<u>\$ 101,553</u>	<u>\$ 75,147</u>	<u>\$ 71,861</u>

^aIncludes unexpended balances from all prior General Fund appropriations.

^bLoan to provide capitalization of Air Quality Improvement Fund. Includes transfer from 1993-94 Executive Authorization.

HIGHER EDUCATION ASSISTANCE FUND

Moneys in this fund are currently used primarily for the following purposes: (1) maintenance of a monetary reserve to be used for all expenses associated with loans guaranteed by the Pennsylvania Higher Education Assistance Agency (PHEAA); (2) provision of grants to students; (3) provision of grants to nonsectarian private postsecondary educational institutions; (4) provision of grants to institutions of higher learning for the purpose of helping the institution secure Federal funds to provide direct financial aid to students; (5) provision of funds to institutions for College Work Study Programs; (6) operation of the Information Technology Education Program and Math and Science Programs; (7) provision for minority students entering graduate professional schools under the Equal Opportunity Professional Education Program; (8) provision for loan forgiveness for teachers in urban and rural areas; and (9) payment of PHEAA administrative costs. Revenue to this fund is derived from appropriations by the General Assembly of General Fund money, gifts, Federal funds, interest earnings and servicing fees.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 152,747	\$ 201,384	\$ 188,836
Receipts:			
Transfer from General Fund	\$ 234,628	\$ 255,041	\$ 290,881
Interest	5,761	5,675	5,741
Federal Revenue	158,293	168,781	180,363
Other	187,103	160,700	163,100
Net Investment Adjustment	2,558	.....	.....
Total Receipts	<u>588,343</u>	<u>590,197</u>	<u>640,085</u>
Total Funds Available	\$ 741,090	\$ 791,581	\$ 828,921
Disbursements:			
Treasury	11	.....	.....
Executive Offices	\$ 2,079	\$ 2,000	\$ 2,200
Higher Education Assistance Agency	<u>537,616</u>	<u>600,745</u>	<u>640,300</u>
Total Disbursements	<u>-539,706</u>	<u>-602,745</u>	<u>-642,500</u>
Cash Balance, Ending	<u>\$ 201,384</u>	<u>\$ 188,836</u>	<u>\$ 186,421</u>

HIGHWAY BEAUTIFICATION FUND

The Highway Beautification Fund was created by Act 5 of 1966, Third Special Session. Activities include control of outdoor advertising and control of junkyards. Although General Fund monies were initially appropriated to establish the fund, highway beautification activities are now supported by licenses, fees, fines, penalties, Federal Highway Administration grants 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)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 230	\$ 385	\$ 376
Receipts:			
Federal Grants	\$ 546	\$ 800	\$ 800
Licenses and Fees	301	300	297
Other	9	17	9
Total Receipts	856	1,117	1,106
Total Funds Available	\$ 1,086	\$ 1,502	\$ 1,482
Disbursements:			
Transportation	\$ 701	\$ 1,125	\$ 1,125
Treasury .....	.....	1	1
Total Disbursements	-701	-1,126	-1,126
Cash Balance, Ending	\$ 385	\$ 376	\$ 356

HISTORICAL PRESERVATION FUND

This fund was created for expenditure by the Historical and Museum Commission for the preservation, care and maintenance of State historical properties, museums and records and for the financing of historical research and publication programs. Money in the fund can also be used to purchase publications and souvenirs of a historical nature for sale at commission administered properties. This fund is made up of moneys arising from the sale of publications of the Pennsylvania Historical and Museum Commission and all moneys received from admission fees or other sales by the commission at the State historical properties and/or museums.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 434	\$ 851	\$ 101
Receipts:			
Admission Fees	\$ 903	\$ 925	\$ 950
Other	3,042	3,375	4,100
Total Receipts	3,945	4,300	5,050
Total Funds Available	\$ 4,379	\$ 5,151	\$ 5,151
Disbursements:			
Executive Offices	\$ 74	.....	.....
Historical and Museum Commission	3,454	5,050	5,050
Total Disbursements	-3,528	-5,050	-5,050
Cash Balance, Ending	\$ 851	\$ 101	\$ 101

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 will be 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.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning .....	.....	\$ 15	.....
Receipts:			
Federal Funds	\$ 979	\$ 7,566	\$ 9,895
Interest on Securities Loan	3	5	5
Principal and Interest	4	100	100
Other	9	.....	.....
Total Receipts	<u>995</u>	<u>7,671</u>	<u>10,000</u>
Total Funds Available	\$ 995	\$ 7,686	\$ 10,000
Disbursements:			
Community Affairs	\$ 976	\$ 7,686	\$ 10,000
Executive Offices	4	.....	.....
Total Disbursements	<u>-980</u>	<u>-7,686</u>	<u>-10,000</u>
Cash Balance, Ending	<u>\$ 15</u>	<u>.....</u>	<u>.....</u>

INDUSTRIAL DEVELOPMENT FUND

Previously, appropriations made by the General Assembly to the Pennsylvania Industrial Development Authority (PIDA) were credited to this fund. Effective January 1, 1992, these appropriations were replaced by an annual \$70 million transfer (\$17.5 million per quarter) of Corporate Income Tax revenues as provided by Act 22 of 1991. This transfer ended at the close of the 1993-94 fiscal year as part of the PIDA recapitalization. The monies are used to make loans to local industrial development agencies to stimulate economic activity in areas of high unemployment. Repayments of loans, while not credited to this fund, represent the primary source of revenue to PIDA and are used by PIDA to make additional loans.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 63,604	\$ 81,330	\$ 28,830
Receipts:			
Tax Revenue	\$ 70,000	.....	.....
Interest on Securities	2,454	\$ 2,500	\$ 800
Total Receipts	<u>72,454</u>	<u>2,500</u>	<u>800</u>
Total Funds Available	\$ 136,058	\$ 83,830	\$ 24,630
Disbursements:			
Commerce	\$ 54,728	\$ 60,000	\$ 24,630
Total Disbursements	<u>-54,728</u>	<u>-60,000</u>	<u>-24,630</u>
Cash Balance, Ending	<u>\$ 81,330</u>	<u>\$ 23,830</u>	<u>.....^a</u>

^aSufficient additional funds for 1995-96 loan activities are available from loan repayments and other funds available to PIDA.

INSURANCE LIQUIDATION FUND

The Insurance Department is responsible for administering the liquidation of insolvent domestic insurance carriers pursuant to orders of Commonwealth Court under Article V of the Insurance Department Act. This fund is utilized to permit the Treasury Department to invest the assets of insolvent insurance carriers.

These assets are utilized to pay claims and expenses incurred in the administration of domestic insurance carrier insolvencies.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 114,498	\$ 184,796	\$ 194,796
Receipts:			
Carrier Assets	\$ 38,234	\$ 20,000	\$ 10,000
Interest	4,473	5,000	5,000
Net Investment Adjustment	<u>37,596</u>	<u>.....</u>	<u>.....</u>
Total Receipts	<u>80,303</u>	<u>25,000</u>	<u>15,000</u>
Total Funds Available	\$ 194,801	\$ 209,796	\$ 209,796
Disbursements:			
Insurance	<u>\$ 10,005</u>	<u>\$ 15,000</u>	<u>\$ 15,000</u>
Total Disbursements	<u>-10,005</u>	<u>-15,000</u>	<u>-15,000</u>
Cash Balance, Ending	<u>\$ 184,796</u>	<u>\$ 194,796</u>	<u>\$ 194,796</u>

KEYSTONE RECREATION, PARK AND CONSERVATION FUND

This fund, authorized by Act 50 of 1993, provides for increased acquisition, improvements and expansions of Commonwealth and community parks, recreation facilities, historic sites, zoos, public libraries, nature preserves and wildlife habitats. Initial funding is provided by \$50 million in bonds which were approved in a General Referendum in November 1992. In addition, beginning July 31, 1994, 15 percent of the State Realty Transfer Tax is to be deposited in this fund and made available for expenditure beginning July 1, 1995. Act 52 of 1994, which amended Act 50, authorized the State System of Higher Education to receive its portion of the State Realty Transfer Tax receipts, beginning July 1, 1994.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 35,766
Receipts:			
Sale of Bonds	\$ 24,000	\$ 26,000
Realty Transfer Tax	31,447	31,500
Interest	472	1,935
Total Receipts	55,919	59,435
Total Funds Available	\$ 55,919	\$ 95,201
Disbursements:			
Community Affairs	\$ 6,000	.....^a
Conservation and Natural Resources	2,770	\$ 47,565 ^a
Education	2,438	1,277
Fish and Boat Commission	500	963
Game Commission	1,463
Historical and Museum Commission	2,700	9,249
State System of Higher Education	5,745	6,018
Total Disbursements	-20,153	-66,535
Cash Balance, Ending	\$ 35,766	\$ 28,666

^aGrant program transferred from Department of Community Affairs to Department of Conservation and Natural Resources.

KEYSTONE RECREATION, PARK AND CONSERVATION SINKING FUND

Monies in this fund are used to redeem or pay interest on bonds issued for the Keystone Recreation, Park and Conservation Fund. An appropriation from the General Fund provides revenues to the fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning
Receipts:			
Transfer from General Fund	\$ 241	\$ 2,852
Accrued Interest on Bonds Sold	44	.....
Total Receipts	285	2,852
Total Funds Available	\$ 285	\$ 2,852
Disbursements:			
Treasury	\$ 285	\$ 2,852
Total Disbursements	-285	-2,852
Cash Balance, Ending

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. Revenue is derived from the sale of Land and Water Development Bonds as approved by the electorate on May 16, 1967. The bond proceeds are not to exceed \$500 million.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 4,654	\$ 5,052	.....
Receipts:			
Sale of Bonds	\$ 3,936	.....	.....
Federal Augmentations	30	.....	.....
Other	74	\$ 30	.....
Total Receipts	4,040	30	.....
Total Funds Available	\$ 8,694	\$ 5,082	.....
Disbursements:			
Executive Offices	\$ 112	.....	.....
Environmental Protection	3,530	\$ 5,082 ^a	.....
Total Disbursements	-3,642	-5,082	.....
Cash Balance, Ending	\$ 5,052	.....	.....

^aIncludes \$2,640,000 transfer to capitalize the Remaining Financial Assurance Fund.

LAND AND WATER DEVELOPMENT SINKING FUND

Payment of interest and principal due on outstanding land and water development bonds is made from this fund. Annual appropriations by the General Assembly and interest on invested balances in this fund and in the Land and Water Development Fund provide the revenues to the fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 8	\$ 1	.....
Receipts:			
Transfer from General Fund	\$ 35,016	\$ 27,219	\$ 25,011
Transfer from Land and Water Development Fund .....	.....	245	.....
Interest on Securities	139	244	.....
Accrued Interest on Bonds Sold	7	.....	.....
Total Receipts	35,162	27,708	25,011
Total Funds Available	\$ 35,170	\$ 27,709	\$ 25,011
Disbursements:			
Treasury	\$ 35,169	\$ 27,709	\$ 25,011
Total Disbursements	-35,169	-27,709	-25,011
Cash Balance, Ending	\$ 1	.....	.....

LIQUID FUELS TAX FUND

The Liquid Fuels Tax Fund was created in 1931 by an act of the General Assembly to assist in funding the local roads system. One-half cent per gallon of gasoline and diesel fuel taxes is deposited into the fund for semi-annual distribution to county governments and to pay registration fees for vehicles operated by mass transportation systems. After payment of fees, remaining funds are allocated to the counties on a three-year average refund to total refund formula and must be used for highway purposes. Since the majority of counties have direct jurisdiction over a limited number of roads, a large portion of these funds are further allocated by the counties to their political subdivisions.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 3,812	\$ 3,705	\$ 3,606
Receipts:			
Tax on Gasoline	\$ 22,857	\$ 22,887	\$ 23,000
Tax on Diesel Fuel	5,263	5,171	5,300
Total Receipts	<u>28,120</u>	<u>28,058</u>	<u>28,300</u>
Total Funds Available	\$ 31,932	\$ 31,763	\$ 31,906
Disbursements:			
Treasury	\$ 83	\$ 174	\$ 174
Revenue	28,144	27,983	28,187
Total Disbursements	<u>-28,227</u>	<u>-28,157</u>	<u>-28,361</u>
Cash Balance, Ending	\$ 3,705	\$ 3,606	\$ 3,545

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 licensees are located. Interest earned on fund deposits is credited to the General Fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 2,447	\$ 2,903	\$ 3,325
Receipts:			
Liquor License Fees	\$ 4,789	\$ 4,800	\$ 4,800
Beer License Fees	116	116	116
Other	6	6	6
Total Receipts	<u>4,911</u>	<u>4,922</u>	<u>4,922</u>
Total Funds Available	\$ 7,358	\$ 7,825	\$ 8,247
Disbursements:			
Treasury	\$ 1	.....	.....
Liquor Control Board	4,454	4,500	4,500
Total Disbursements	<u>-4,455</u>	<u>-4,500</u>	<u>-4,500</u>
Cash Balance, Ending	\$ 2,903	\$ 3,325	\$ 3,747

LOCAL CRIMINAL JUSTICE FUND

This fund was created by Act 71 of 1990 to provide \$200 million for grants to counties for the repair, expansion, construction, rehabilitation and improvement of local correctional facilities or multicounty regional prison facilities or the purchase of electronic monitoring equipment for alternative sentencing programs.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 51,243	\$ 5,177	\$ 4,603
Receipts:			
Sale of Bonds	\$ 46,249	\$ 52,000	\$ 15,000
Interest	1,041	100	20
Total Receipts	47,290	52,100	15,020
Total Funds Available	\$ 98,533	\$ 57,277	\$ 19,623
Disbursements:			
Treasury	\$ 126	\$ 35	\$ 30
Corrections	93,230	52,639	14,990
Total Disbursements	-93,356	-52,674	-15,020
Cash Balance, Ending	\$ 5,177	\$ 4,603	\$ 4,603

LOCAL CRIMINAL JUSTICE SINKING FUND

Payment of interest and principal due on outstanding local criminal justice bonds is made from this fund. Annual appropriations by the General Assembly and interest on invested balances in this fund provide the revenues to this fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 15	\$ 10	.....
Receipts:			
Transfer from General Fund	\$ 6,531	\$ 10,880	\$ 14,631
Accrued Interest on Bonds Sold	72	231	.....
Interest on Securities .....	.....	1	1
Total Receipts	6,603	11,112	14,632
Total Funds Available	\$ 6,618	\$ 11,122	\$ 14,632
Disbursements:			
Treasury	\$ 6,608	\$ 11,122	\$ 14,632
Total Disbursements	-6,608	-11,122	-14,632
Cash Balance, Ending	\$ 10	.....	.....

LOCAL GOVERNMENT CAPITAL PROJECT LOAN FUND

This fund was created by Act 210 of 1990 to assist municipal governments in acquiring equipment and facilities by providing low-interest loans to those governments which find conventional loan costs to be prohibitive. Loans are provided at a rate of two percent for periods not to exceed ten years. Revenues received from loan repayment and interest accrual will be returned to the fund on a revolving basis. Act 59 of 1994 extends the program through June 30, 1997.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 445	\$ 1,772	\$ 446
Receipts:			
Transfer from General Fund	\$ 1,474	\$ 750	.....
Loan Repayments	28	100	\$ 100
Interest	46	100	100
Total Receipts	<u>1,548</u>	<u>950</u>	<u>200</u>
Total Funds Available	\$ 1,993	\$ 2,722	\$ 646
Disbursements:			
Community Affairs	\$ 221	\$ 2,276	\$ 400
Total Disbursements	<u>-221</u>	<u>-2,276</u>	<u>-400</u>
Cash Balance, Ending	<u>\$ 1,772</u>	<u>\$ 446</u>	<u>\$ 246</u>

LOW-LEVEL WASTE FUND

This fund was created by Act 12 of 1988 to finance the selection, licensing, regulation and long-term care of a low-level radioactive waste disposal facility. Revenue is derived from fees for licenses and permits to generate, store and transport waste, surcharges on the disposal of waste, and fines and penalties for violating the provisions of the Low-Level Radioactive Waste Disposal Act.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 887	\$ 703	\$ 1,056
Receipts:			
Transfer from General Fund	\$ 1,000	\$ 2,450	\$ 1,546
Fines and Penalties ^a .....	.....	.....	.....
Licenses and Fees ^a .....	.....	.....	.....
Surcharges ^a .....	.....	.....	.....
Interest	17	46	46
Other	24	.....	.....
Total Receipts	<u>1,041</u>	<u>2,496</u>	<u>1,592</u>
Total Funds Available	\$ 1,928	\$ 3,199	\$ 2,648
Disbursements:			
Environmental Protection	\$ 1,200	\$ 2,143	\$ 2,229
Executive Offices	25	.....	.....
Total Disbursements	<u>-1,225</u>	<u>-2,143</u>	<u>-2,229</u>
Cash Balance, Ending	<u>\$ 703</u>	<u>\$ 1,056</u>	<u>\$ 419</u>

^aThese revenues will not be received until the Commonwealth's low-level waste disposal site becomes operational in 1996.

MACHINERY AND EQUIPMENT LOAN FUND

This fund was established by Act 120 of 1988 to provide low-interest machinery and equipment financing for Pennsylvania businesses in order to facilitate their growth, competitiveness and value-added capacity.

The fund was initially capitalized by an appropriation from the Pennsylvania Economic Revitalization Fund (PERF) and continued to be funded through PERF as well as from loan repayments and interest earnings.

This budget combines the Machinery and Equipment Loan Fund with the Capital Loan Fund to streamline the provision of the programs. The Machinery and Equipment Loan program is merged with other industrial loan programs in the Capital Loan Fund. The Department of Commerce presentation provides further details.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 7,131	\$ 4,166	.....
Receipts:			
Transfer from Pennsylvania Economic Revitalization Fund ..	\$ 7,800	\$ 7,000	.....
Loan Principal and Interest Repayments	4,624	5,575	.....
Interest on Securities	216	105	.....
Miscellaneous	134	152	.....
Total Receipts	12,774	12,832	.....
Total Funds Available	\$ 19,905	\$ 16,998	.....
Disbursements:			
Commerce	\$ 15,739	\$ 15,352	.....
Total Disbursements	-15,739	-15,352	.....
Cash Balance, Ending	\$ 4,166	\$ 1,646^a	.....

^aTransferred to Capital Loan Fund as part of combining of the two funds.

MANUFACTURING FUND

This fund, created in 1915, is a self-sustaining enterprise that provides institutionalized offenders an opportunity for vocational rehabilitation. Receipts are derived from the sale of inmate manufactured goods to government agencies or government-aided organizations.

Expenditures are made for the purchase of raw materials, machinery replacement, inmate wages, and other costs related to the sale and manufacture of their products.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 4,954	\$ 3,713	\$ 3,663
Receipts:			
Sale of Manufactured Products	\$ 24,231	\$ 26,500	\$ 29,800
Interest	117	215	300
Other	516	285	300
Total Receipts	24,864	27,000	30,400
Total Funds Available	\$ 29,818	\$ 30,713	\$ 34,063
Disbursements:			
Executive Offices	\$ 486	\$ 550	\$ 550
Corrections	25,619	26,500	29,250
Total Disbursements	-26,105	-27,050	-29,800
Cash Balance, Ending	\$ 3,713	\$ 3,663	\$ 4,263

MEDICAL PROFESSIONAL LIABILITY CATASTROPHE LOSS FUND

This fund was created in 1975 to make available professional liability insurance at a reasonable cost to health care providers and to establish a system through which injured parties can obtain a prompt determination and adjudication of their claims. Revenue is derived by levying an annual surcharge on health care providers.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 113,395	\$ 107,614	\$ 97,906
Receipts:			
Surcharges	\$ 163,208	\$ 178,660	\$ 194,094
Interest	3,840	2,832	4,017
Other	98	.....	.....
Total Receipts	<u>167,146</u>	<u>181,492</u>	<u>198,111</u>
Total Funds Available	\$ 280,541	\$ 289,106	\$ 296,017
Disbursements:			
Executive Offices	\$ 172,927	\$ 191,200	\$ 190,330
Total Disbursements	<u>-172,927</u>	<u>-191,200</u>	<u>-190,330</u>
Cash Balance, Ending	<u>\$ 107,614</u>	<u>\$ 97,906</u>	<u>\$ 105,687</u>

MINORITY BUSINESS DEVELOPMENT FUND

This fund was created in 1974 to accommodate the operations of the Pennsylvania Minority Business Development Authority. Receipts come from loan repayments, transfer of General Fund appropriations and interest. The authority also has the power to issue bonds or other obligations which would provide another source of income. To date this has not been done.

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)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 7,116	\$ 2,563	\$ 2,530
Receipts:			
Transfer from General Fund	\$ 1,400	\$ 7,150	\$ 5,000
Loan Principal and Interest			
Repayments	1,649	1,507	1,583
Interest on Securities	186	113	175
Other	63	51	46
Total Receipts	<u>3,298</u>	<u>8,821</u>	<u>6,804</u>
Total Funds Available	\$ 10,414	\$ 11,384	\$ 9,334
Disbursements:			
Commerce	\$ 7,851	\$ 8,854	\$ 7,460
Total Disbursements	<u>-7,851</u>	<u>-8,854</u>	<u>-7,460</u>
Cash Balance, Ending	<u>\$ 2,563</u>	<u>\$ 2,530</u>	<u>\$ 1,874</u>

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 or 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)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 934	\$ 1,034	\$ 1,008
Receipts:			
Motor Vehicle Dealer/Agent Assessment	\$ 125	\$ 200	\$ 136
Interest	34	24	34
Total Receipts	159	224	170
Total Funds Available	\$ 1,093	\$ 1,258	\$ 1,178
Disbursements:			
Transportation	\$ 59	\$ 250	\$ 76
Total Disbursements	-59	-250	-76
Cash Balance, Ending	<u>\$ 1,034</u>	<u>\$ 1,008</u>	<u>\$ 1,102</u>

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 on July 1, 1985, this fund receives a portion of the revenues from the Foreign Casualty Insurance Premium Tax and the Foreign Fire Insurance Premium Tax. These revenues and earnings are for distribution to municipalities for various municipal, police and fire pension funds.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 116,793	\$ 102,179	\$ 101,153
Receipts:			
Foreign Casualty Insurance Premium Tax	\$ 112,132	\$ 114,600	\$ 112,000
Foreign Fire Insurance Premium Tax	11,790	11,712	12,000
Interest	2,226	1,992	2,300
Total Receipts	126,148	128,304	126,300
Total Funds Available	\$ 242,941	\$ 230,483	\$ 227,453
Disbursements:			
Auditor General	\$ 140,762	\$ 129,330	\$ 128,600
Total Disbursements	-140,762	-129,330	-128,600
Cash Balance, Ending	<u>\$ 102,179</u>	<u>\$ 101,153</u>	<u>\$ 98,853</u>

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 of 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)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 3,777	\$ 4,252	\$ 3,638
Receipts:			
License and Fees	\$ 182	\$ 196	\$ 203
Penalties	48	90	90
Interest	137	155	135
Collateral	51	100	100
Payment in Lieu of Bonds	50	55	55
Forfeiture of Bond	24	10	10
Other .....	.....	8	8
Total Receipts	<u>492</u>	<u>614</u>	<u>601</u>
Total Funds Available	\$ 4,269	\$ 4,866	\$ 4,239
Disbursements:			
Environmental Protection	\$ 17	\$ 1,228	\$ 1,228
Total Disbursements	<u>-17</u>	<u>-1,228</u>	<u>-1,228</u>
Cash Balance, Ending	\$ <u>4,252</u>	\$ <u>3,638</u>	\$ <u>3,011</u>

NURSING HOME LOAN DEVELOPMENT FUND

This fund serves as a depository for proceeds from the sale of general obligation bonds approved by referendum May 21, 1974. Net proceeds are transferred to the Nursing Home Loan Fund as needed. Interest earnings in this fund and bond proceeds not required for nursing home loans are paid into the Nursing Home Loan Sinking Fund for debt retirement. No additional loans are to be approved and the balance of the funds are to be transferred to the Nursing Home Loan Sinking Fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 5,387	\$ 4,279	.....
Receipts:			
Miscellaneous	\$ 5	.....	.....
Total Receipts	<u>5</u>	.....	.....
Total Funds Available	\$ 5,392	\$ 4,279	.....
Disbursements:			
Treasury	\$ 1,113	\$ 450	.....
Total Disbursements	<u>-1,113</u>	<u>-450</u>	.....
Cash Balance, Ending	\$ <u>4,279</u>	\$ <u>3,829^a</u>	.....

^aFunds transferred to Nursing Home Loan Sinking Fund.

NURSING HOME LOAN FUND

Loans to nursing homes for repairs, reconstruction and rehabilitation to meet safety code standards are made from this fund. Loans are made from bond proceeds transferred from the Nursing Home Loan Development Fund. Repayments of loans are deposited into the General Fund. In 1994-95 most existing loans were sold. A majority of the proceeds were appropriated for transfer to the Pennsylvania Housing Finance Agency.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning .....	.....	.....	.....
Receipts:			
Sale of Nursing Home Loans .....	.....	\$ 11,561	.....
Transfer from Nursing Home Loan Development Fund	\$ 1,113	450	.....
Total Receipts	<u>1,113</u>	<u>12,011</u>	<u>.....</u>
Total Funds Available	\$ 1,113	\$ 12,011	.....
Disbursements:			
Commerce	\$ 1,113	\$ 450	.....
Pennsylvania Housing Finance Agency .....	.....	7,000	.....
Transfer to General Fund .....	.....	4,561	.....
Total Disbursements	<u>\$ -1,113</u>	<u>\$ -12,011</u>	<u>.....</u>
Cash Balance, Ending	<u>.....</u>	<u>.....</u>	<u>.....</u>

NURSING HOME LOAN SINKING FUND

Redemption of nursing home loan bonds at maturity and all interest payable on such bonds is paid from this fund. An annual appropriation by the General Assembly and annual earnings received from investment of balances in this fund and in the Nursing Home Loan Development Fund provide income to the fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 16	.....	.....
Receipts:			
Transfer from General Fund	\$ 5,908	\$ 2,116	\$ 3,566
Transfer from Nursing Home Loan Development Fund .....	.....	3,829	.....
Interest on Securities	172	99	.....
Total Receipts	<u>6,080</u>	<u>6,044</u>	<u>3,566</u>
Total Funds Available	\$ 6,096	\$ 6,044	\$ 3,566
Disbursements:			
Treasury	\$ 6,096	\$ 6,044	\$ 3,566
Total Disbursements	<u>-6,096</u>	<u>-6,044</u>	<u>-3,566</u>
Cash Balance, Ending	<u>.....</u>	<u>.....</u>	<u>.....</u>

NUTRIENT MANAGEMENT FUND

This fund was created under the authority of Act 6 of 1993 to fund loans and grants for the implementation of nutrient management plans by agricultural operations. Revenue comes from Commonwealth and Federal appropriations, interest, loan repayments and gifts.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 15
Receipts:			
Transfer from General Fund	\$ 750	\$ 750
Interest	15	15
Total Receipts	765	765
Total Funds Available	\$ 765	\$ 780
Disbursements:			
Environmental Protection	\$ 750	\$ 750
Total disbursements	-750	-750
Cash Balance, Ending	\$ 15	\$ 30

OIL AND GAS LEASE FUND

Created in 1955, this fund is used to finance conservation, recreation, dams or flood control projects or to match any Federal grants made for these purposes. Revenues are derived from rents and royalties from oil and gas leases of Commonwealth owned land with the exception of rents and royalties from land owned by either the Pennsylvania Game or Fish and Boat Commissions. Those revenues are paid into the Game and Fish Funds.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 11,778	\$ 9,476	\$ 976
Receipts:			
Rents and Royalties	\$ 3,143	\$ 3,143	\$ 3,143
Interest	360	357	357
Other	17	.....	.....
Total Receipts	3,520	3,500	3,500
Total Funds Available	\$ 15,298	\$ 12,976	\$ 4,476
Disbursements:			
Executive Offices	\$ 16	.....	.....
Conservation and Natural Resources	5,806	\$ 12,000	\$ 3,499
Total Disbursements	-5,822	-12,000	-3,499
Cash Balance, Ending	\$ 9,476	\$ 976	\$ 977

PENNSYLVANIA CAPITAL LOAN FUND

The Pennsylvania Capital Loan Program began in 1982 with funding from the U.S. Appalachian Regional Commission (ARC) and the U.S. Economic Development Administration (EDA) to provide low-interest loans to businesses for capital development projects. Act 109 of 1984 created this fund and provided additional funding from the Pennsylvania Economic Revitalization Fund.

Loans are used by manufacturing, industrial and export service businesses for the purchase of land, buildings, machinery, equipment and working capital. County and regional economic development organizations assist the department in packaging and reviewing the loan applications. In 1994-95 \$15 million in surplus funds was transferred to the Pennsylvania Economic Revitalization Fund (PERF) to support economic development programs.

This budget combines the Machinery and Equipment Loan Fund with the Capital Loan Fund to streamline the provision of the programs. The industrial loan programs of the Capital Loan Fund and the former Machinery and Equipment Loan Fund are merged into a single program for industrial loans in this fund. The Department of Commerce presentation provides further details.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 31,072	\$ 35,008	\$ 16,361
Receipts:			
Transfer from General Fund .....	.....	.....	\$ 8,000
Transfer from Machinery and Equipment Loan Fund .....	.....	.....	1,646
Loan Principal and Interest Repayments	\$ 9,210	\$ 9,538	18,709
Interest — Securities	1,147	1,129	458
Transfer From Pennsylvania Economic Revitalization Fund — PENNAG	1,080	1,000	.....
Miscellaneous .....	.....	.....	160
Total Receipts	<u>11,437</u>	<u>11,667</u>	<u>28,973</u>
Total Funds Available	\$ 42,509	\$ 46,675	\$ 45,334
Disbursements:			
Commerce	\$ 7,501	\$ 30,314*	\$ 33,575
Total Disbursements	<u>-7,501</u>	<u>-30,314</u>	<u>-33,575</u>
Cash Balance, Ending	<u>\$ 35,008</u>	<u>\$ 16,361</u>	<u>\$ 11,759</u>

*Includes \$15 million transfer to Pennsylvania Economic Revitalization Fund

PENNSYLVANIA ECONOMIC REVITALIZATION SINKING FUND

Payment of interest and principal due on outstanding economic revitalization bonds is made from this fund. Annual appropriations by the General Assembly together with interest earned in this fund and interest earned in and transferred from the Pennsylvania Economic Revitalization Fund provide the revenues to the fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 64	\$ 129	.....
Receipts:			
Transfer from General Fund	\$ 13,110	\$ 12,502	\$ 10,090
Transfer from Pennsylvania Economic Revitalization Fund ..	792	428	70
Interest on Securities	3	4	1
Accrued Interest on Bonds Sold	5	.....	.....
Total Receipts	13,910	12,934	10,161
Total Funds Available	\$ 13,974	\$ 13,063	\$ 10,161
Disbursements:			
Treasury	\$ 13,845	\$ 13,063	\$ 10,161
Total Disbursements	-13,845	-13,063	-10,161
Cash Balance, Ending	\$ 129	.....	.....

PENNSYLVANIA HISTORICAL AND MUSEUM COMMISSION TRUST FUND

This fund was created by Act 113 of 1931 and is administered by the Governor, Auditor General, State Treasurer and the Pennsylvania Historical and Museum Commission. The interest received from investment of the \$33,000 perpetual endowment to this fund in bonds of the Commonwealth or any of its political subdivisions, is credited to the fund. Interest earned on investments is used for the restoration, maintenance and improvement of the Cornwall Charcoal Furnace, Cornwall Borough, Lebanon County.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 108	\$ 112	\$ 45
Receipts:			
Interest on Securities	\$ 4	\$ 3	\$ 2
Total Receipts	4	3	2
Total Funds Available	\$ 112	\$ 115	\$ 47
Disbursements:			
Historical and Museum Commission .....	.....	\$ 70	.....
Total Disbursements .....	.....	-70	.....
Cash Balance, Ending	\$ 112	\$ 45	\$ 47

PENNSYLVANIA MUNICIPAL RETIREMENT FUND

Act 15 of 1974 created the Pennsylvania Municipal Retirement System which replaced the "Municipal Employees Retirement Law" and the "Municipal Police Retirement Law" and combined all employees covered under both into a State-related municipal system.

The fund established under that act provides for payment of retirement allowances to officers, employees, firemen and police of political subdivisions (county, cities, boroughs, and townships of the first and second class).

Any municipality may elect by ordinance to join the system. Revenues are generated from the contributions of the members of the system and investment earnings.

The board established under Act 15 has control over the system's operation. The net investment adjustment shown below is to reflect carrying value of long-term investments as of June 30.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 409,652	\$ 425,068	\$ 471,995
Receipts:			
Contributions	\$ 26,064	\$ 27,362	\$ 27,665
Interest	37,301	14,277	15,972
Net Investment Adjustment	-25,970	25,052	40,119
Total Receipts	<u>37,395</u>	<u>66,691</u>	<u>83,756</u>
Total Funds Available	\$ 447,047	\$ 491,759	\$ 555,751
Disbursements:			
Executive Offices	\$ 45	\$ 2,386	\$ 2,332
Municipal Employees' Retirement Board	21,934	17,378	18,943
Total Disbursements	<u>-21,979</u>	<u>-19,764</u>	<u>-21,275</u>
Cash Balance, Ending	<u>\$ 425,068</u>	<u>\$ 471,995</u>	<u>\$ 534,476</u>

PENNSYLVANIA VETERANS MEMORIAL TRUST FUND

Act 60 of 1988 established this fund to be administered by the Pennsylvania Veterans Memorial Commission whose purpose it is to erect on the grounds of Fort Indiantown Gap a monument or memorial to Pennsylvania veterans who served in armed conflicts in which the United States was a participant. Funds are solicited from public and private sources.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 148	\$ 157	\$ 14
Receipts:			
Public/Private Donations	\$ 3	\$ 110	\$ 8
Interest	6	7	1
Total Receipts	<u>9</u>	<u>117</u>	<u>9</u>
Total Funds Available	\$ 157	\$ 274	\$ 23
Disbursements:			
Military Affairs .....	.....	\$ 260	.....
Total Disbursements	<u>.....</u>	<u>-260</u>	<u>.....</u>
Cash Balance, Ending	<u>\$ 157</u>	<u>\$ 14</u>	<u>\$ 23</u>

PENNVEST BOND AUTHORIZATION FUND

This fund, created under the authority of Act 16 of 1988, receives the proceeds from the sale of bonds authorized by general referendum, transferred from the Water Facilities Loan Fund or from the Capital Facilities Fund for site development. Expenditures are for transfers of funds to the PENNVEST 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)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 53,295	\$ 58,043	\$ 30,378
Receipts:			
Referendum Bonds	\$ 64,665 ^a	.....	\$ 25,200
Water Facilities Bonds	30,288	1,090	.....
Interest	1,355	1,800	750
Total Receipts	<u>96,308</u>	<u>2,890</u>	<u>25,950</u>
Total Funds Available	\$ 149,603	\$ 60,933	\$ 56,328
Disbursements:			
PENNVEST Fund	\$ 1,362	\$ 1,800	\$ 750
PENNVEST Water Pollution Control Revolving Fund	6,462	8,755	6,500
PENNVEST Revolving Fund	44,015	20,000	30,000
PENNVEST Non-Revolving Equity Fund	39,593	.....	.....
Treasury	128	.....	.....
Total Disbursements	<u>-91,560</u>	<u>-30,555</u>	<u>-37,250</u>
Cash Balance, Ending	<u>\$ 58,043</u>	<u>\$ 30,378</u>	<u>\$ 19,078</u>

^aAmount received includes receipts from the sale of bonds approved in the 1992 referendum.

PENNVEST FUND

This fund was created under the authority of Act 16 of 1988 to receive funds from sources other than the sale of general obligation bonds. These sources include appropriations from the General Fund, payments of revolving loans, interest received from revolving and non-revolving loans, investment income, and the sale of assets. In addition to grants and loans for water and sewer projects, these funds can be used for administrative costs.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 20,760	\$ 35,320	\$ 23,034
Receipts:			
Transfer from General Fund	\$ 8,000	\$ 6,000	.....
Revolving loan payments	24,998	19,500	14,500
Interest	578	500	500
Bond Authorization Fund	1,362	1,800	750
Other	263	54	54
Total Receipts	<u>35,201</u>	<u>27,854</u>	<u>15,804</u>
Total Funds Available	\$ 55,961	\$ 63,174	\$ 38,838
Disbursements:			
Executive Offices	\$ 54	\$ 54	\$ 54
Infrastructure Investment Authority:			
Loans and Grants	3,400	7,000	5,000
Administration	2,738	3,086	3,050
Revenue Bond Transfer	14,449	30,000	26,288
Total Disbursements	<u>-20,641</u>	<u>-40,140</u>	<u>-34,392</u>
Cash Balance, Ending	\$ <u>35,320</u>	\$ <u>23,034</u>	\$ <u>4,446</u>

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)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 4	\$ 4	\$ 4
Receipts:			
Bond Authorization Fund	\$ 39,593	.....	.....
Total Receipts	<u>39,593</u>	<u>.....</u>	<u>.....</u>
Total Funds Available	\$ 39,597	\$ 4	\$ 4
Disbursements:			
Drinking Water Projects	\$ 27,520	.....	.....
Sewer Projects	12,073	.....	.....
Total Disbursements	<u>-39,593</u>	<u>.....</u>	<u>.....</u>
Cash Balance, Ending	\$ <u>4</u>	\$ <u>4</u>	\$ <u>4</u>

PENNVEST REDEMPTION FUND

This fund, created under the authority of Act 16 of 1988, receives repayments of non-revolving loans and investment interest along with annual appropriations by the General Assembly which are used to retire general obligation bonds issued for Pennvest.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 5	\$ 31	.....
Receipts:			
Transfer from General Fund	\$ 16,957	\$ 20,889	\$ 21,144
Interest on Securities	17	6	10
Accrued Interest on Bonds Sold	120	.....	.....
Non-Revolving Loan Repayments ..	2,371	2,351	2,331
Bond Sale for BANs Repayment ...	19,000	.....	.....
Total Receipts	<u>38,465</u>	<u>23,246</u>	<u>23,485</u>
Total Funds Available	\$ 38,470	\$ 23,277	\$ 23,485
Disbursements:			
Treasury	\$ 38,439	\$ 23,277	\$ 23,485
Total Disbursements	<u>-38,439</u>	<u>-23,277</u>	<u>-23,485</u>
Cash Balance, Ending	<u>\$ 31</u>	<u>.....</u>	<u>.....</u>

PENNVEST REVOLVING FUND

This fund, created under the authority of Act 16 of 1988, receives moneys transferred from the PENNVEST Bond Authorization Fund. Funds are used for revolving loans which can be made to public or private entities for drinking water supply or sewer projects. Repayments of loans and interest are deposited in the PENNVEST Fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 14	\$ 16	\$ 18
Receipts:			
Bond Authorization Fund	\$ 44,015 ^a	\$ 20,000	\$ 30,000
PENNVEST Fund .....	.....	.....	.....
Interest	2	2	2
Total Receipts	<u>44,017</u>	<u>20,002</u>	<u>30,002</u>
Total Funds Available	\$ 44,031	\$ 20,018	\$ 30,020
Disbursements:			
Infrastructure Investment Authority:			
Drinking Water Projects	\$ 49,875	\$ 15,000	\$ 20,000
Sewer Projects	-5,860 ^a	5,000	10,000
Total Disbursements	<u>-44,015</u>	<u>-20,000</u>	<u>-30,000</u>
Cash Balance, Ending	<u>\$ 16</u>	<u>\$ 18</u>	<u>\$ 20</u>

^aIncludes reclassification of certain prior year non-revolving loans and revenues as revolving loans and revenues.

PENNVEST WATER POLLUTION CONTROL REVOLVING FUND

This fund was created under the authority of Act 16 of 1988 for funds received from the Federal Government to establish a revolving loan program for sewer projects. Required matching State funds are transferred from the PENNVEST Bond Authorization Fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 3,121	\$ 6,708	\$ 9,708
Receipts:			
Bond Authorization Fund	\$ 6,462	\$ 8,755	\$ 6,500
Federal Funds	35,225	51,500	41,500
Interest Payments	4,408	2,925	2,925
Investment Income	158	75	75
Total Receipts	<u>46,253</u>	<u>63,255</u>	<u>51,000</u>
Total Funds Available	\$ 49,374	\$ 69,963	\$ 60,708
Disbursements:			
Infrastructure Investment Authority ..	\$ 42,666	\$ 60,255	\$ 50,000
Total Disbursements	<u>-42,666</u>	<u>-60,255</u>	<u>-50,000</u>
Cash Balance, Ending	<u>\$ 6,708</u>	<u>\$ 9,708</u>	<u>\$ 10,708</u>

PHARMACEUTICAL ASSISTANCE FUND (CONTRACT FOR THE ELDERLY)

This fund, created by Act 63 of 1983 and reauthorized by Act 36 of 1991, 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 in the act for program eligibility. Funds not expended in the fiscal year in which they were appropriated are available for use in the following fiscal year. For additional information on the program refer to the Department of Aging program description.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 5,940	\$ 10,311	\$ 5,808
Receipts:			
Transfer from Lottery Fund	\$ 207,000	\$ 217,000	\$ 208,000
Interest on Securities	376	385	350
Other	34	34	34
Total Receipts	<u>207,410</u>	<u>217,419</u>	<u>208,384</u>
Total Funds Available	\$ 213,350	\$ 227,730	\$ 214,192
Disbursements:			
Treasury .....	.....	\$ 5	\$ 5
Executive Offices	\$ 34	34	34
Aging	198,757	221,883	209,152
Vouchers Payable in Transit ^a	4,248	.....	.....
Total Disbursements	<u>-203,039</u>	<u>-221,922</u>	<u>-209,191</u>
Cash Balance, Ending	<u>\$ 10,311</u>	<u>\$ 5,808</u>	<u>\$ 5,001</u>

^aRepresents vouchers payable recorded in the Integrated Central System and in transit to Treasury on June 30, 1994.

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)

	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 424	\$ 357	\$ 221
Receipts:			
Transfer from Philadelphia Regional Port Authority	\$ 2,956	\$ 3,400	\$ 3,700
Interest	247	10	10
Total Receipts	3,203	3,410	3,710
Total Funds Available	\$ 3,627	\$ 3,767	\$ 3,931
Disbursements:			
Executive Offices	\$ 239	\$ 246	\$ 253
Philadelphia Regional Port Operations	3,031	3,300	3,600
Total Disbursements	-3,270	-3,546	-3,853
Cash Balance, Ending	\$ 357	\$ 221	\$ 78

PORT OF PITTSBURGH COMMISSION FUND

The Port of Pittsburgh Commission was created by Act 133 of 1992 to promote and encourage capital investment in port facilities and port-related projects within the port district encompassing Allegheny, Armstrong, Beaver, Butler, Clarion, Fayette, Greene, Lawrence, Washington and Westmoreland counties.

Grants to the commission to support its operations, and previously to Allegheny County for port-related improvements, are deposited into this fund, along with interest earnings from deposited funds. The commission also has the authority to issue bonds to finance port improvements and may pledge its revenues to pay off such bonds.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning		\$ 408	\$ 64
Receipts:			
Transfer from General Fund	\$ 1,700	\$ 200	\$ 600
Interest	15	15	15
Total Receipts	1,715	215	615
Total Funds Available	\$ 1,715	\$ 623	\$ 679
Disbursements:			
Executive Offices	\$ 1	\$ 1	\$ 1
Port of Pittsburgh Commission	1,306	558	586
Total Disbursements	-1,307	-559	-587
Cash Balance, Ending	\$ 408	\$ 64	\$ 92

PROJECT 70 LAND ACQUISITION SINKING FUND

Payment of interest and principal on Project 70 bonds is made from this fund. Annual appropriations by the General Assembly for payment of interest and principal on Project 70 bonds together with monies reimbursed to the Commonwealth by political subdivisions for inappropriate use of Project 70 funds are credited to this fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 1	\$ 1	.....
Receipts:			
Transfer from General Fund	\$ 769	\$ 774	\$ 779
Total Receipts	<u>769</u>	<u>774</u>	<u>779</u>
Total Funds Available	\$ 770	\$ 775	\$ 779
Disbursements:			
Treasury	\$ 769	\$ 775	\$ 779
Total Disbursements	<u>-769</u>	<u>-775</u>	<u>-779</u>
Cash Balance, Ending	<u>\$ 1</u>	<u>.....</u>	<u>.....</u>

PUBLIC TRANSPORTATION ASSISTANCE FUND

This fund was established by Act 26 of 1991 to help provide for the capital, asset maintenance and certain other transportation needs of the Commonwealth's transit entities. Revenue is derived from a fee on the sale of new tires, a tax on the sale of periodicals, an additional motor vehicle lease tax, a motor vehicle rental fee and an additional utility realty tax.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 6,276	\$ 3,030	\$ 3,030
Receipts:			
Utility Realty Tax	\$ 62,812	\$ 62,832	\$ 62,300
Other Taxes and Fees	92,644	96,263	104,058
Interest	<u>515</u>	<u>400</u>	<u>500</u>
Total Receipts	<u>155,971</u>	<u>159,495</u>	<u>166,858</u>
Total Funds Available	\$ 162,247	\$ 162,525	\$ 169,888
Disbursements:			
Transportation:			
Administration	\$ 1,000	\$ 1,000	\$ 1,000
Grants	<u>158,217</u>	<u>158,495</u>	<u>165,858</u>
Total Disbursements	<u>-159,217</u>	<u>-159,495</u>	<u>-166,858</u>
Cash Balance, Ending	<u>\$ 3,030</u>	<u>\$ 3,030</u>	<u>\$ 3,030</u>

PURCHASING FUND

Created in 1933, this fund finances the purchase of materials, supplies and equipment by the Department of General Services for use of other departments, boards and commissions. Also salaries for the personnel administering the fund are paid by the fund. Revenue sources are periodic appropriations from the General Fund and reimbursements by other departments, boards and commissions for the materials and supplies provided them.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 6,958	\$ 22,303	\$ 17,423
Receipts:			
Reimbursement to General Services	\$ 33,399	\$ 26,260	\$ 26,779
Reimbursements to Executive Offices	45,661	43,661	45,000
Other	786	488	488
Total Receipts	<u>79,846</u>	<u>70,409</u>	<u>72,267</u>
Total Funds Available	\$ 86,804	\$ 92,712	\$ 89,690
Disbursements:			
Executive Offices	\$ 41,468	\$ 44,468	\$ 27,348
General Services	23,033	30,821	44,000
Total Disbursements	<u>-64,501</u>	<u>-75,289</u>	<u>-71,348</u>
Cash Balance, Ending	<u>\$ 22,303</u>	<u>\$ 17,423</u>	<u>\$ 18,342</u>

REAL ESTATE RECOVERY FUND

This fund was established in 1980 to reimburse aggrieved persons any amounts unpaid from final judgements against any person licensed by the Real Estate Commission. Revenue is derived from additional fees paid by licensees, with interest on investments being retained by the fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 1,598	\$ 1,538	\$ 1,484
Receipts:			
Additional License Fees	\$ 43	\$ 43	\$ 43
Interest	53	53	53
Total Receipts	<u>96</u>	<u>96</u>	<u>96</u>
Total Funds Available	\$ 1,694	\$ 1,634	\$ 1,580
Disbursements:			
State	\$ 156	\$ 150	\$ 150
Total Disbursements	<u>-156</u>	<u>-150</u>	<u>-150</u>
Cash Balance, Ending	<u>\$ 1,538</u>	<u>\$ 1,484</u>	<u>\$ 1,430</u>

RECYCLING FUND

This fund was created by Act 101 of 1988 to finance the planning, processing, resource recovery and recycling of solid waste. Revenue is generated by a fee on all waste disposed of in landfills or processed by resource recovery facilities. Expenditures are for recycling and planning grants, market and waste minimization studies, and public information and education activities throughout the Commonwealth.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 55,037	\$ 66,924	\$ 53,276
Receipts:			
Recycling Fees	\$ 30,958	\$ 32,571	\$ 34,268
Fine and Penalties .....	.....	3	3
Interest	2,097	1,359	1,589
Environmental Technology Loan Repayments and Interest	326	300	300
Total Receipts	33,381	34,233	36,160
Total Funds Available	\$ 88,418	\$ 101,157	\$ 89,436
Disbursements:			
Environmental Protection	\$ 21,494	\$ 47,881	\$ 48,014
Total Disbursements	-21,494	-47,881	-48,014
Cash Balance, Ending	\$ 66,924	\$ 53,276	\$ 41,422

REFUND OF AXLE TAX FUND

The Refund of Axle Tax Fund was established as an escrow account to facilitate the receipt of tax refunds plus interest and the disbursement of axle tax refunds, legal fees and other litigation expenses. This was the result of a conditional Commonwealth Court order issued on May 8, 1992.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 42,386	\$ 15,612	\$
Receipts:			
Refund of Axle Tax	\$ 71	.....	.....
Interest	1,045	\$ 200	.....
Total Receipts	1,116	200	.....
Total Funds Available	\$ 43,502	\$ 15,812	.....
Disbursements:			
Axle Tax and Legal Fee Refunds ...	\$ 27,890	\$ 15,812	.....
Total Disbursements	-27,890	-15,812	.....
Cash Balance, Ending	\$ 15,612	.....	.....

REGIONAL FACILITY SITING FUND

This fund was created by Act 107 of 1990 to provide for establishing a low-level radioactive waste disposal facility in Pennsylvania. The act requires certain generators of low-level radioactive waste, primarily nuclear power generating facilities, to make advance payments of disposal fees which will fund the initial costs of designing and constructing the new disposal facility.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 18,080	\$ 16,490	\$ 7,517
Receipts:			
Advance Payments	\$ 5,373	.....	.....
Interest	696	\$ 486	\$ 78
Other	3	.....	.....
Total Receipts	<u>6,072</u>	<u>486</u>	<u>78</u>
Total Funds Available	\$ 24,152	\$ 16,976	\$ 7,595
Disbursements:			
Executive Offices	\$ 3	.....	.....
Environmental Protection	7,659	\$ 9,459	\$ 831
Total Disbursements	<u>-7,662</u>	<u>-9,459</u>	<u>-831</u>
Cash Balance, Ending	\$ 16,490	\$ 7,517	\$ 6,764

REHABILITATION CENTER FUND

This fund was created May 13, 1959 for the operation of the Hiram G. Andrews Rehabilitation Center and is funded from fees for services rendered by the center. Most of these services are rendered to vocational rehabilitation clients.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 10,227	\$ 5,903	\$ 4,105
Receipts:			
Clients Fees	\$ 8,586	\$ 11,675	\$ 11,900
Other	1,453	1,359	1,325
Total Receipts	<u>10,039</u>	<u>13,034</u>	<u>13,225</u>
Total Funds Available	\$ 20,266	\$ 18,937	\$ 17,330
Disbursements:			
Executive Offices	\$ 508	\$ 532	\$ 556
Labor and Industry	13,855	14,300	14,900
Total Disbursements	<u>-14,363</u>	<u>-14,832</u>	<u>-15,456</u>
Cash Balance, Ending	\$ 5,903	\$ 4,105	\$ 1,874

REMINING ENVIRONMENTAL ENHANCEMENT FUND

Act 173 of 1992 authorized this fund to operate an incentive program to encourage remining and reclamation, including the designation of areas suitable for reclamation by remining, and to assist operators applying for a remining permit. The transfer of up to \$1 million is authorized from a combination of the Surface Mining Conservation and Reclamation Fund, the Clean Water Fund, the Coal Refuse Disposal Fund, and the Bituminous Mine Subsidence and Land Conservation Fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 500
Receipts:			
Transfers from other funds	\$ 1,000	\$ 1,000
Interest	25
Total Receipts	1,000	1,025
Total Funds Available	\$ 1,000	\$ 1,525
Disbursements:			
Environmental Protection	\$ 500	\$ 500
Total Disbursements	-500	-500
Cash Balance, Ending	\$ 500	\$ 1,025

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)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 2,693
Receipts:			
Transfer from Land and Water Development Fund	\$ 2,640	.....
Premium Payments
Interest	53	\$ 108
Total Receipts	2,693	.....
Total Funds Available	\$ 2,693	\$ 2,801
Disbursements:			
Environmental Protection	\$ 500
Total Disbursements	-500
Cash Balance, Ending	\$ 2,693	\$ 2,301

REVENUE SHARING TRUST FUND

The Revenue Sharing Trust Fund was composed of monies received under the provisions of the Federal, State and Local Fiscal Assistance Act and interest earned on that money.

The Federal, State and Local Fiscal Assistance Act placed no restrictions upon purposes for which the funds are spent; however, expenditures had to be in accordance with the laws and procedures applicable to expenditures of State revenues, including appropriation, accounting and audit.

Pennsylvania used its revenue sharing funds primarily for assistance to local governments, school districts and individuals.

Federal legislation eliminated Revenue Sharing Funds for state governments beginning with the 1981-82 fiscal year. However, in 1982-83 the Federal Government released a reserve held for contingencies. Certain prior year appropriations to the Department of Environmental Resources are still involved in litigation, and the funds invested remain in the Revenue Sharing Trust Fund and are earning interest.

Act 51-A of 1982 earmarked all such interest earnings for the use of the Department of General Services to pay for moving costs of Commonwealth agencies.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 101	\$ 94	\$ 9
Receipts:			
Interest on Securities	\$ 4	\$ 4	.....
Total Receipts	<u>4</u>	<u>4</u>	<u>.....</u>
Total Funds Available	\$ 105	\$ 98	\$ 9
Disbursements:			
General Services	\$ 11	\$ 89	\$ 9
Total Disbursements	<u>11</u>	<u>-89</u>	<u>-9</u>
Cash Balance, Ending	<u>\$ 94</u>	<u>\$ 9</u>	<u>.....</u>

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.

The employer contribution, which is shared equally by the employing school district and the Commonwealth, is determined by the fund's actuary. The Commonwealth contribution is made by an annual appropriation from the General Fund and paid quarterly 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 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)

	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 24,338,466	\$ 24,357,741	\$ 26,647,847
Receipts:			
Transfer from General Fund —			
Employer Contribution	\$ 433,565	\$ 444,059	\$ 466,060
Transfers from State Retirement			
System	1,806	5,000	5,000
Contribution of School Employees ...	385,773	421,353	438,000
Returned Contributions of School			
Employes	16,272	15,000	15,000
Contributions of School Districts ...	466,046	485,000	462,800
Interest on Securities	1,737,437	1,350,000	1,500,000
Other	15,715	10,000	10,000
Total Receipts	3,056,614	2,730,412	2,896,860
Net Investment Adjustment	-1,370,696	1,200,000	1,000,000
Total Funds Available	\$ 26,024,384	\$ 28,288,153	\$ 30,544,707
Disbursements:			
Executive Offices	\$ 737	\$ 520	\$ 525
Treasury	147	30	30
Public School Employees' Retirement			
Board	1,665,759	1,639,756	1,800,000
Total Disbursements	-1,666,643	-1,640,306	-1,800,555
Cash Balance, Ending	\$ 24,357,741	\$ 26,647,847	\$ 28,744,152

SELF-INSURANCE GUARANTY FUND

This fund was created by Act 44 of 1993, the Pennsylvania Workers' Compensation Act. The purpose of this fund is to pay claims arising from defaulting members of self-insurance pooling arrangements under the Workers' Compensation Act. The fund is maintained by assessments on self-insurers and is administered by the Department of Labor and Industry.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning			\$ 3,204
Receipts:			
Assessments		\$ 3,304	\$ 425
Total Receipts		3,304	425
Total Funds Available		\$ 3,304	\$ 3,629
Disbursements:			
Labor and Industry		\$ 100	\$ 100
Total Disbursements		-100	-100
Cash Balance, Ending		\$ 3,204	\$ 3,529

SINKING FUND

This sinking fund existed prior to the practice of having a sinking fund for each separate bond fund. Monies are held in this fund to cover the possible redemption of Commonwealth notes and bonds which had maturity dates from 1841 through 1871. There has been no activity on these old outstanding obligations, reportedly, since 1929. The redemption value of those obligations is \$141,320.06. Money not needed to pay principal of or interest on Commonwealth debt may also be used to suppress insurrection or defend the State in war, in accordance with the Constitution of the Commonwealth of Pennsylvania. Money in this fund may be invested only in United States or Commonwealth bonds. Interest accumulating on monies remaining in the fund is credited to the State School Fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 145	\$ 145	\$ 145
Receipts:			
Interest on Securities			
Total Receipts			
Total Funds Available	\$ 145	\$ 145	\$ 145
Disbursements:			
Treasury			
Total Disbursements			
Cash Balance, Ending	\$ 145	\$ 145	\$ 145

SOCIAL SECURITY CONTRIBUTION FUND

This fund was established to hold both employers' and employees' share of Social Security deductions of Commonwealth and local government or other instrumentality employes for payment of Social Security benefits under the Federal Insurance Contribution Act (FICA). Withdrawals from the fund are made to the Federal Agency in amounts required to extend the benefits of eligible employes under the Federal old-age and survivors insurance system and for payment of refunds and overpayments made by a political subdivision.

Effective January 1, 1987, the states were removed from the intermediary role of collecting and reporting Social Security contributions. All fund liabilities were liquidated in fiscal year 1994-95. The balance of the fund was transferred to the Department of Education's School Employees' Social Security appropriation.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 2,742	\$ 4,886	.....
Receipts:			
Social Security Contributions —			
Public	\$ 3	.....	.....
Refund of Expenditures	2,000	.....	.....
Other	141	\$ 192	.....
Total Receipts	<u>2,144</u>	<u>192</u>	<u>.....</u>
Total Funds Available	\$ 4,886	\$ 5,078	.....
Disbursements:			
Labor and Industry .....	.....	\$ 5,078	.....
Total Disbursements	<u>.....</u>	<u>-5,078</u>	<u>.....</u>
Cash Balance, Ending	\$ 4,886	.....	.....

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, while loans for existing facilities are restricted to municipalities in fifth through 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)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 6,405	\$ 6,623	\$ 5,818
Receipts:			
Interest	\$ 225	\$ 195	\$ 195
Transfer from General Fund .....	.....	.....	.....
Total Receipts	<u>225</u>	<u>195</u>	<u>195</u>
Total Funds Available	\$ 6,630	\$ 6,818	\$ 6,013
Disbursements:			
Environmental Protection	\$ 7	\$ 1,000	\$ 1,000
Total Disbursements	<u>-7</u>	<u>-1,000</u>	<u>-1,000</u>
Cash Balance, Ending	\$ 6,623	\$ 5,818	\$ 5,013

SPECIAL ADMINISTRATION FUND

The purpose of this fund, administered by the Department of Labor and Industry, is to cover those administrative expenses of the Unemployment Compensation Law not properly and validly chargeable to the Administration Fund. The receipts of the fund are generated from interest and penalties collected from claimants and employers under provisions of the Unemployment Compensation Law. All moneys in excess of \$200,000 in the fund, less encumbrances for litigation, at the end of the fiscal year are transferred to the Unemployment Compensation Contribution Fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 2,562	\$ 2,112	\$ 2,112
Receipts:			
Interest and Penalties	\$ 6,242	\$ 6,000	\$ 6,000
Other	199	500	500
Transfer to Unemployment Contribution Fund	<u>-3,766</u>	<u>-5,000</u>	<u>-5,000</u>
Total Receipts	<u>2,675</u>	<u>1,500</u>	<u>1,500</u>
Total Funds Available	\$ 5,237	\$ 3,612	\$ 3,612
Disbursements:			
Labor and Industry	\$ 3,125	\$ 1,500	\$ 1,500
Total Disbursements	<u>-3,125</u>	<u>-1,500</u>	<u>-1,500</u>
Cash Balances, Ending	<u>\$ 2,112</u>	<u>\$ 2,112</u>	<u>\$ 2,112</u>

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 moneys in 1862. These farms were sold for \$17,000 in 1888 and the proceeds were placed in this fund to be invested in bonds of the Commonwealth at 6 percent per annum with the interest serving as an ongoing revenue to this fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 27	\$ 27	\$ 28
Receipts:			
Miscellaneous	\$ 2	\$ 3	\$ 3
Total Receipts	<u>2</u>	<u>3</u>	<u>3</u>
Total Funds Available	\$ 29	\$ 30	\$ 31
Disbursements:			
Treasury	\$ 2	\$ 2	\$ 2
Total Disbursements	<u>-2</u>	<u>-2</u>	<u>-2</u>
Cash Balance, Ending	<u>\$ 27</u>	<u>\$ 28</u>	<u>\$ 29</u>

STATE EMPLOYEES' RETIREMENT FUND

This fund was created in 1924 to accumulate reserves for the payment of pensions to 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 nonstate 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.

Revenue to the fund comes from employe contributions, employer contributions from the Commonwealth and other employers, and income derived from investments of the fund. 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 reserves for the payment of future benefits.

Management of the fund and payment of benefits is overseen by the State Employees' Retirement Board.

The cash balance shown in the statement includes substantial investment assets. The net investment adjustment item is to reflect the carrying value of long-term investments as of June 30.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$13,609,543	\$13,280,297	\$14,802,297
Receipts:			
Contributions of Employes	\$ 188,315	\$ 193,000	\$ 198,000
State Share Contribution	321,976	326,000	334,000
Interest on Securities	596,587	623,000	663,000
Other	525,709	.....	.....
Net Investment Adjustment	<u>-1,180,696</u>	<u>1,220,000</u>	<u>464,000</u>
Total Receipts	<u>451,891</u>	<u>2,362,000</u>	<u>1,659,000</u>
Total Funds Available	\$14,061,434	\$15,642,297	\$16,461,297
Disbursements:			
Executive Offices	\$ 467	\$ 350	\$ 366
Treasury	26	.....	.....
State Employees' Retirement System	<u>780,644</u>	<u>839,650</u>	<u>878,634</u>
Total Disbursements	<u>-781,137</u>	<u>-840,000</u>	<u>-879,000</u>
Cash Balance, Ending	<u>\$13,280,297</u>	<u>\$14,802,297</u>	<u>\$15,582,297</u>

STATE INSURANCE FUND

Created in 1915, this fund finances expenditures relating to the rebuilding, restoring or replacing of buildings, structures, equipment or other property owned by the Commonwealth which have been damaged or destroyed by fire or other casualty. This includes natural or man made disasters. Revenue is derived from interest earned by the fund, interest received from the Fire Insurance Tax Fund and from reimbursements by insurance companies. If needed, money may also be directly appropriated to this fund. On June 16, 1994, a fire in the Transportation and Safety Building caused structural damage and loss of equipment and furniture in parts of the building. Receipts of the Fund in 1994-95 include estimated reimbursement from the Commonwealth's excess insurance policy, which is responsible for damages for any occurrence in excess of \$1,000,000. The increase in disbursements in 1994-95 reflect estimates of various agency claims approved for those fire-related damages. Any amount in the fund in excess of \$3 million on December 31st of each year is transferred to the General Fund. This fund satisfies the requirements of the Federal Government for the Disaster Insurance Program.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 10,554	\$ 10,499	\$ 9,233
Receipts:			
Recovered Damages		\$ 11,000	
Interest	\$ 909	900	\$ 910
Total Receipts	909	11,900	910
Total Funds Available	\$ 11,463	\$ 22,399	\$ 10,143
Disbursements:			
General Services	\$ 964	\$ 13,166	\$ 1,100
Total Disbursements	-964	-13,166	-1,100
Cash Balance, Ending	\$ 10,499	\$ 9,233	\$ 9,043

STATE RESTAURANT FUND

This fund was created in 1943 to finance the purchase and maintenance of equipment for the operation of the restaurant in the State Capitol as well as any other restaurants in other State Office Buildings. At present, the only restaurant operated within this fund is in the Main Capitol Building and revenue is derived from the profits earned from that operation. During fiscal year 1986-87 the Main Capitol Restaurant was enlarged and relocated into the Capitol Addition.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 1,082	\$ 1,143	\$ 1,184
Receipts:			
Revenue from General Operations ..	\$ 66	\$ 58	\$ 61
Other	39	35	35
Total Receipts	105	93	96
Total Funds Available	\$ 1,187	\$ 1,236	\$ 1,280
Disbursements:			
General Services	\$ 44	\$ 52	\$ 45
Total Disbursements	-44	-52	-45
Cash Balance, Ending	\$ 1,143	\$ 1,184	\$ 1,235

STATE SCHOOL FUND

The 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 moneys 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 they are required to satisfy requirements of the Department of Labor and Industry or other relevant governmental agencies.

Expenditures from the fund are made at the direction of the State Board of Education.

Statement of Cash Receipts and Disbursements

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 363	\$ 379	\$ 350
Receipts:			
Sinking Fund Interest	\$ 5	\$ 5	\$ 5
Treasury Interest	16	16	16
Net Investment Adjustment	<u>-5</u>	<u>.....</u>	<u>.....</u>
Total Receipts	<u>16</u>	<u>21</u>	<u>21</u>
Total Funds Available	\$ 379	\$ 400	\$ 371
Disbursements:			
Education	<u>.....</u>	\$ 50	\$ 50
Total Disbursements	<u>.....</u>	<u>-50</u>	<u>-50</u>
Cash Balance, Ending	\$ <u>379</u>	\$ <u>350</u>	\$ <u>321</u>

STATE STORES FUND

The State Stores Fund serves as the general operating fund for the Liquor Control Board. The Pennsylvania State Police receive funds for the enforcement of the Liquor Code Law; the Department of Health receives funds for alcohol abuse programs. This fund receives revenues from the sale of goods in State Liquor Stores, fees not credited to the Liquor License Fund, fines and penalties, losses and damages recovered, and loans from the General Fund to provide working capital. Expenditures cover all costs associated with the operation and administration of the Liquor Stores System and enforcement of the Liquor Control Law. Any surplus is transferred to the General Fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 46,427	\$ 56,890	\$ 23,322
Receipts:			
Fees	\$ 9,167	\$ 9,000	\$ 9,000
Fines and Penalties	1,179	1,150	1,115
Sale of Goods	836,104	834,000	854,850
Recovered Losses and Damages	6,718	6,718	6,718
General Fund Loans	116,000	66,000	66,000
Other	10,020	10,968	12,515
Total Receipts	<u>979,188</u>	<u>927,836</u>	<u>950,198</u>
Total Funds Available	\$ 1,025,615	\$ 984,726	\$ 973,520
Disbursements:			
Executive Offices	\$ 7,345	\$ 7,733	\$ 9,280
Treasury	1	.	.
State Police	13,265	14,435	15,157
Health	814	1,105	819
Liquor Control Board*	947,300	938,131	939,002
Total Disbursements	<u>-968,725</u>	<u>-961,404</u>	<u>-964,258</u>
Cash Balance, Ending	<u>\$ 56,890</u>	<u>\$ 23,322</u>	<u>\$ 9,262</u>

*Includes repayment of General Fund loans.

STATE TREASURY ARMORY FUND

Created in accordance with Act 126 of 1979 and Act 92 of 1975, this fund receives monies derived from the sale of any armory building, armory site or other real estate. Funds shall be expended solely for the purchase of equipment, furniture and fixtures or for the construction of new armories in the Commonwealth.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 382	\$ 421	\$ 347
Receipts:			
Interest	\$ 15	\$ 16	\$ 15
Armory Rentals	83	160	160
Total Receipts	<u>98</u>	<u>176</u>	<u>175</u>
Total Funds Available	\$ 480	\$ 597	\$ 522
Disbursements:			
Military Affairs	\$ 59	\$ 250	\$ 270
Total Disbursements	<u>-59</u>	<u>-250</u>	<u>-270</u>
Cash Balance, Ending	<u>\$ 421</u>	<u>\$ 347</u>	<u>\$ 252</u>

STATE WORKMEN'S INSURANCE FUND

The State Workmen's Insurance Fund (SWIF) was created by the Act of June 2, 1915, and operates within the Department of Labor and Industry. It is a self-sustaining fund providing workers' compensation insurance to employers, including those refused policies by private insurance firms. SWIF is subject to underwriting rules, classifications and rates promulgated by rating bureaus authorized by the State Insurance Commissioner. Premium rates are established by them based on the history of accidents by industry. Administrative costs are paid from the fund including expenses related to Insurance Department and Auditor General examinations.

Act 60 of 1990 provides for the transfer of money from SWIF. Annual payments are made to the General Fund equal to the amount which would have been paid in taxes had SWIF been subject to taxes. The act also established an Advisory Council to recommend the amount of surplus in SWIF, if any, that could be distributed without jeopardizing its legal obligations to policy holders. If such a surplus exists, the SWIF Board may then recommend distribution of the surplus to the Sunny Day and the Tax Stabilization Reserve funds and/or as refunds to current or former policyholders. The funds recommended by the board to be transferred to the reserve funds and refunded to policy holders 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)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 1,279,755	\$ 1,366,327	\$ 1,515,363
Receipts:			
Premiums	\$ 496,827	\$ 450,000	\$ 475,000
Other	108,509	90,030	98,326
Net Investment Adjustment	-126,821	.....	.....
Total Receipts	<u>478,515</u>	<u>540,030</u>	<u>573,326</u>
Total Funds Available	\$ 1,758,270	\$ 1,906,357	\$ 2,088,689
Disbursements:			
Executive Offices	\$ 789	\$ 826	\$ 864
Treasury	35	32	34
Labor and Industry	381,332	372,636	382,479
Premium Tax Payment to the General Fund	9,787	9,000	9,500
Payment to General Fund in Lieu of Taxes .....	.....	8,500	8,000
Total Disbursements	<u>-391,943</u>	<u>-390,994</u>	<u>-400,877</u>
Cash Balance, Ending	<u>\$ 1,366,327</u>	<u>\$ 1,515,363</u>	<u>\$ 1,687,812</u>

STORAGE TANK FUND

This fund was created by Act 32 of 1989 for the operation of an aboveground and underground storage tank regulation, registration and enforcement program. Revenues to the fund consist of registration and permit fees, fines, judgements, bond forfeitures, interest and recovered costs. Expenditures include the remediation of leaking underground storage tanks.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 16,595	\$ 16,939	\$ 14,205
Receipts:			
Registration Fees	\$ 4,983	\$ 5,250	\$ 4,850
Permit Fees .....	.....	.....	.....
Federal Funds — EPA	2,548	3,091	3,222
Cost Recovery .....	.....	.....	.....
Fines and Penalties	47	147	142
Interest	580	266	261
Other	286	.....	.....
Total Receipts	8,444	8,754	8,475
Total Funds Available	\$ 25,039	\$ 25,693	\$ 22,680
Disbursements:			
Environmental Protection	\$ 7,837	\$ 11,488	\$ 10,532
Executive Offices	263	.....	.....
Total Disbursements	-8,100	-11,488	-10,532
Cash Balance, Ending	\$ 16,939	\$ 14,205	\$ 12,148

STORAGE TANK LOAN FUND

This fund was established by Act 32 of 1989 to provide financial assistance to small tank facility owners or operators identified by the Department of Environmental Resources (DER) as potentially liable for a release or in danger of a release of a regulated substance from a storage tank. The assistance is in the form of low-interest loans to finance the cost of all or a portion of the ordered response actions. Revenue consists primarily of two percent of fees collected from registration of above-ground and underground tanks in Pennsylvania.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 379	\$ 741	\$ 975
Receipts:			
Fees	\$ 750	\$ 750	\$ 750
Loan Principal and Interest			
Repayments	41	67	123
Interest — Securities	13	30	39
Total Receipts	804	847	912
Total Funds Available	\$ 1,183	\$ 1,588	\$ 1,887
Disbursements:			
Commerce	\$ 442	\$ 613	\$ 644
Total Disbursements	-442	-613	-644
Cash Balance, Ending	\$ 741	\$ 975	\$ 1,243

SUNNY DAY FUND

The purpose of this fund, created by Act 32 of 1985 and administered by the Department of Commerce, is to provide assistance to the Governor and the Department of Commerce, in their efforts to attract industrial, manufacturing or research and development enterprises to the Commonwealth. Revenue is provided through appropriations by the General Assembly for transfer to this fund. Appropriations out of the fund require approval by two-thirds of the members of the General Assembly.

Act 60 of 1990 provides for the transfer of money from the State Workmen's Insurance Fund (SWIF) to other funds. Annual payments will be made to the General Fund in an amount equal to that which would have been paid in taxes had SWIF been subject to taxes. The act also established an Advisory Council to recommend the amount of surplus in SWIF, if any, that could be distributed without jeopardizing its legal obligations to policy holders. If such a surplus exists, the SWIF Board may then recommend distribution of the surplus to the Sunny Day and the Tax Stabilization Reserve funds and/or as refunds to current or former policyholders. The funds recommended by the board to be transferred to the reserve funds and refunded to policy holders must be approved and appropriated by the General Assembly.

This statement is presented on a budgetary rather than a cash basis.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 43,818	\$ 35,135	\$ 3,973
Receipts:			
Transfer from General Fund .....	.....	\$ 25,000	\$ 15,000
Loan Principal and Interest			
Repayments	\$ 10,544	6,200	7,500
Interest on Securities	1,851	2,400	500
Miscellaneous	1,197	638	63
Total Receipts	13,592	34,238	23,063
Prior Year Lapses	3,750	10,000	.....
Total Funds Available	\$ 61,160	\$ 79,373	\$ 27,036
Expenditures:			
Commerce	\$ 26,025	\$ 75,400 ^b	25,600 ^c
Total Expenditures	-26,025	-75,400	-25,600
Cash Balance, Ending^a	<u>\$ 35,135</u>	<u>\$ 3,973</u>	<u>\$ 1,436</u>

^aCash balance less encumbrances and available balances.

^bLoans for \$10.6 million in projects appropriated on a continuing basis in 1994-95 which will not be made until 1995-96.

^cLoans for \$10.6 million in projects appropriated on a continuing basis in 1994-95 which will not be made until 1995-96, plus loans for \$15 million in potential new 1995-96 projects which are not carried forward to other financial presentations since specific projects have not been determined.

SUPPLEMENTAL STATE ASSISTANCE FUND

This fund was created by Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act, and is administered by the Auditor General. The Supplemental State Assistance Fund, from July 1985 to December 1988, contained portions of the proceeds of the Foreign Casualty Premium Tax previously paid to the State Employees' Retirement Fund. Those revenues were made available immediately for loans to municipalities in imminent danger of defaulting on the obligations of their pension plans.

Beginning in December of 1988, the Auditor General also became responsible for disbursement of supplemental state assistance to distressed municipal pension systems based on certified state assistance amounts provided by the Public Employee Retirement Commission.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 33	\$ 34	\$ 35
Receipts:			
Transfer from General Fund	\$ 5,882	\$ 3,296	\$ 6,362
Interest	1	1	.....
Total Receipts	<u>5,883</u>	<u>3,297</u>	<u>6,362</u>
Total Funds Available	\$ 5,916	\$ 3,331	\$ 6,397
Disbursements:			
Auditor General	\$ 5,882	\$ 3,296	\$ 6,362
Total Disbursements	<u>-5,882</u>	<u>-3,296</u>	<u>-6,362</u>
Cash Balances, Ending	\$ <u>34</u>	\$ <u>35</u>	\$ <u>35</u>

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 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)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 20,799	\$ 29,196	\$ 32,521
Receipts:			
Licenses and Fees	\$ 1,039	\$ 700	\$ 700
Fines and Penalties	337	581	570
Interest	875	900	900
Forfeiture of Bonds	8,621	2,500	2,500
Trust Account Collateral	626	300	300
Other	16	30	30
Total Receipts	<u>11,514</u>	<u>5,011</u>	<u>5,000</u>
Total Funds Available	\$ 32,313	\$ 34,207	\$ 37,521
Disbursements:			
Executive Offices	\$ 14	.....	.....
Environmental Protection	3,103	\$ 1,686	\$ 1,731
Total Disbursements	<u>-3,117</u>	<u>-1,686</u>	<u>-1,731</u>
Cash Balance, Ending	\$ <u>29,196</u>	\$ <u>32,521</u>	\$ <u>35,790</u>

TAX NOTE SINKING FUND

Monies in this fund are used solely for the payment of principal and interest on tax anticipation notes issued for the General Fund or the Motor License Fund. Repayment of tax anticipation notes must be accomplished before the end of the fiscal period in which the notes were issued. Repayment of commercial paper issued in anticipation of tax revenues is made directly from the issuing fund and is not recorded in this fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 344	\$ 1,577	\$ 1,224
Receipts:			
Transfer from General Fund	\$ 408,975	\$ 619,841	\$ 725,000
Transfer Excess Interest on Securities to General Fund .....	.....	-2,248	-1,224
Interest on Securities	1,233	1,895	1,300
Total Receipts	410,208	619,488	725,076
Total Funds Available	\$ 410,552	\$ 621,065	\$ 726,300
Disbursements:			
Treasury	\$ 408,975	\$ 619,841	\$ 726,300
Total Disbursements	-408,975	-619,841	-726,300
Cash Balance, Ending	\$ 1,577	\$ 1,224	.....

TAX STABILIZATION RESERVE FUND

Created in July 1985 by Act 32, this fund provides financial assistance to minimize future revenue shortfalls and deficits, and promote greater continuity and predictability in the funding of vital government services. It also minimizes the need to increase taxes to balance the budget of the Commonwealth during periods of economic distress. Revenue is provided through an appropriation by the General Assembly for transfer to this fund. Appropriations out of the fund require approval by two-thirds of the members of the General Assembly.

Act 60 of 1990 provides for the transfer of money from the State Workmen's Insurance Fund. Annual payments will be made to the General Fund which would have been paid in taxes had SWIF been subject to taxes. The act also established an Advisory Council to recommend the amount of surplus in SWIF, if any, that could be distributed without jeopardizing its legal obligations to policy holders. If such a surplus exists, the SWIF Board may then recommend distribution of the surplus to the Sunny Day and the Tax Stabilization Reserve Funds and/or as refunds to current or former policyholders. The funds recommended by the board to be transferred to the reserve funds and refunded to policy holders must be approved and appropriated by the General Assembly. Under Act 35 of 1991, if in any fiscal year there is a surplus of operating funds in the General Fund certified by the Budget Secretary, ten percent of such surplus shall be deposited into the Tax Stabilization Reserve Fund.

This budget proposes that the Transfer to the Tax Stabilization Reserve Fund (commonly called the "Rainy Day" Fund) be increased from ten percent to fifteen percent of the General Fund closing balance effective with the transfer based on the June 30, 1995 closing balance.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 4,871	\$ 29,850	\$ 65,925
Receipts:			
Transfer from General Fund	\$ 24,226	\$ 33,575	\$ 59,323
Interest on Securities	753	2,500	3,300
Total Receipts	24,979	36,075	62,623
Total Funds Available	\$ 29,850	\$ 65,925	\$ 128,548
Disbursements:			
.....
Total Disbursements .....	.....	.....	.....
Cash Balance, Ending	\$ 29,850	\$ 65,925	\$ 128,548

TUITION PAYMENT FUND

This fund was created by Act 11 of 1992 to implement the tuition account program, providing for the advance purchase of tuition credits for a beneficiary attending a participating institution. The program is administered by the Tuition Account Bureau within the Treasury Department with oversight by the Tuition Account Program Advisory Board. Revenue is derived primarily from application fees, tuition unit purchases and investment income. Fund expenditures consist mainly of payments to participating institutions for the dollar value of the tuition purchased and of administrative costs.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning .....	.....	\$ 10,127	\$ 30,757
Receipts:			
Application Fees	\$ 301	\$ 350	\$ 650
Tuition Purchases	10,192	20,000	24,000
Interest Earnings	<u>123^a</u>	<u>1,080</u>	<u>2,640</u>
Total Receipts	<u>10,616</u>	<u>21,430</u>	<u>27,290</u>
Total Funds Available	\$ 10,616	\$ 31,557	\$ 58,047
Disbursements:			
Treasury	\$ <u>489</u>	\$ <u>800</u>	\$ <u>1,375</u>
Total Disbursements	<u>-489</u>	<u>-800</u>	<u>-1,375</u>
Cash Balance, Ending	<u>\$ 10,127</u>	<u>\$ 30,757</u>	<u>\$ 56,672</u>

^aIncludes \$123,000 in interest earnings from the Treasury Tuition Account Program Investment Pool.

UNDERGROUND STORAGE TANK INDEMNIFICATION FUND

The Storage Tank and Spill Prevention Act, Act 32 of 1989, established the Underground Storage Tank Indemnification Fund to administer a program to provide claim payments to owners and operators of underground storage tanks who incur liability for taking corrective action or for bodily injury or property damage caused by a release from underground storage tanks. Expenses for administration of the fund are also covered. The fund is administered by the Insurance Department in conjunction with a seven member Underground Storage Tank Indemnification Board.

Act 32 authorizes the board to establish a fee to be paid by underground storage tank owner/operators to fund the program. At the December 19, 1990 board meeting, a \$100 tank fee and two cents per gallon gas fee were approved. Act 184 of 1992 amended Act 32 by requiring the board to establish a capacity fee for heating oil and diesel fuel underground storage tanks.

Statement of Cash Receipts and Disbursements

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 156	\$ 41,796	\$ 97,247
Receipts:			
Tank Fee	\$ 2,614	\$ 3,100	\$ 3,100
Gallon Fee	21,627	96,000	96,000
Tank Capacity Fee	17,648	22,200	22,200
Investment Income	159	1,500	1,500
Miscellaneous	6	6	6
Total Receipts	<u>42,054</u>	<u>122,806</u>	<u>122,806</u>
Total Funds Available	\$ 42,210	\$ 164,602	\$ 220,053
Disbursements:			
Insurance	\$ 410	\$ 67,349	\$ 84,996 ^a
Executive Offices	4	6	6
Total Disbursements	<u>-414</u>	<u>-67,355</u>	<u>-85,002</u>
Cash Balance, Ending	<u>\$ 41,796</u>	<u>\$ 97,247</u>	<u>\$ 135,051</u>

^aTo be expended: \$3,996,000 for administration and \$81,000,000 for claims.

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)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning .....	.....	.....	.....
Receipts:			
Regular Unemployment Compensation Program	\$ 1,580,126	\$ 1,568,862	\$ 1,543,000
Federal Receipts in Transit*	7,055	7,955	7,955
Other	711,667	79,000	75,000
Total Receipts	<u>2,298,848</u>	<u>1,655,817</u>	<u>1,625,955</u>
Total Funds Available	\$ 2,298,848	\$ 1,655,817	\$ 1,625,955
Disbursements:			
Labor and Industry	\$ 2,298,848	\$ 1,655,817	\$ 1,625,955
Total Disbursements	<u>-2,298,848</u>	<u>-1,655,817</u>	<u>-1,625,955</u>
Cash Balance, Ending	<u>.....</u>	<u>.....</u>	<u>.....</u>

*Represents future receipt of funds from the Federal Government for checks issued to individual claimants.

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)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 264	\$ 169	\$ 170
Receipts:			
Contributions of Employers and Employes	\$ 1,863,033	\$ 1,869,000	\$ 1,736,000
Other	165	166	154
Total Receipts	<u>1,863,198</u>	<u>1,869,166</u>	<u>1,736,154</u>
Total Funds Available	\$ 1,863,462	\$ 1,869,335	\$ 1,736,324
Disbursements:			
Labor and Industry	\$ 1,863,293	\$ 1,869,165	\$ 1,736,154
Total Disbursements	<u>-1,863,293</u>	<u>-1,869,165</u>	<u>-1,736,154</u>
Cash Balance, Ending	<u>\$ 169</u>	<u>\$ 170</u>	<u>\$ 170</u>

VIETNAM CONFLICT VETERANS' COMPENSATION SINKING FUND

Monies in this fund are used to redeem or pay interest on bonds issued for the Vietnam Conflict Veterans' Compensation Fund. An appropriation from the General Fund provides the revenues to this fund.

Statement of Cash Receipts and Disbursements

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 1	\$ 1	.....
Receipts:			
Transfer from General Fund	\$ 4,562	\$ 2,563	\$ 2,575
Total Receipts	4,562	2,563	2,575
Total Funds Available	\$ 4,563	\$ 2,564	\$ 2,575
Disbursements:			
Treasury	\$ 4,562	\$ 2,564	\$ 2,575
Total Disbursements	-4,562	-2,564	-2,575
Cash Balance, Ending	\$ 1	.....	.....

VOCATIONAL REHABILITATION FUND

This fund, administered by the State Board of Vocational Rehabilitation in the Department of Labor and Industry, was created to provide vocational rehabilitation services to any person who has a disability mental or physical which constitutes a handicap to employment or to achievement of an independent living status. Services can be provided directly or through a purchase of service arrangement. Receipts for this fund come from Federal vocational rehabilitation funds, transfer of General Fund appropriations for matching the Federal funds and interest earned.

Statement of Cash Receipts and Disbursements

	1993-94 Actual	(Dollar Amounts in Thousands) 1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 12,026	\$ 6,876	\$ 4,331
Receipts:			
Transfer from General Fund	\$ 23,035 ^a	\$ 28,446	\$ 24,105
Federal Vocational Rehabilitation Funds	93,700 ^b	104,649	91,953
Other	2,424	2,669	2,545
Total Receipts	119,159	135,764	118,603
Total Funds Available	\$ 131,185	\$ 142,640	\$ 122,934
Disbursements:			
Executive Offices	\$ 1,985	\$ 2,044	\$ 2,167
Labor and Industry	122,324	136,265	115,759
Total Disbursements	-124,309	-138,309	-117,926
Cash Balance, Ending	\$ 6,876	\$ 4,331	\$ 5,008

^aReflects adjustment in process of \$-1,252,000.

^bReflects adjustment in process of \$1,252,000.

VOLUNTEER COMPANIES LOAN FUND

On November 4, 1975, a voter referendum authorized a \$10 million bond issue to be used for acquisition and replacement of volunteer fire, ambulance and rescue company equipment and facilities. A second voter referendum in November 1981 authorized an additional \$15 million to be added to the fund. In November 1990 a third voter referendum was approved which provided an additional \$25 million for the fund, bringing the total amount authorized to \$50 million. Act 208 of 1976 established a revolving loan fund known as the Volunteer Companies Loan Fund administered by the Pennsylvania Emergency Management Agency. As the low-interest loans are repaid by the volunteer companies, the monies are returned to the fund for reuse.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 4,595	\$ 9,029	\$ 2,119
Receipts:			
Loan Principal Repayments	\$ 9,632	\$ 10,000	\$ 9,500
Loan Interest	1,115	1,000	900
Interest on Securities	191	200	210
Miscellaneous	5	3	3
Bond Proceeds	9,823	.....	4,000
Good Faith Deposits	200	.....	.....
Total Receipts	<u>20,966</u>	<u>11,203</u>	<u>14,613</u>
Total Funds Available	\$ 25,561	\$ 20,232	\$ 16,732
Disbursements:			
Treasury	\$ 23	\$ 113	\$ 90
Pennsylvania Emergency Management Agency	16,509	18,000	16,000
Total Disbursements	<u>-16,532</u>	<u>-18,113</u>	<u>-16,090</u>
Cash Balance, Ending	\$ <u>9,029</u>	\$ <u>2,119</u>	\$ <u>642</u>

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. An appropriation from the General Fund provides revenues to the fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 1	\$ 7	.....
Receipts:			
Transfer from General Fund	\$ 2,838	\$ 3,462	\$ 3,462
Accrued Interest on Bonds Sold	<u>17</u>	.....	.....
Total Receipts	<u>2,855</u>	<u>3,462</u>	<u>3,462</u>
Total Funds Available	\$ 2,856	\$ 3,469	\$ 3,462
Disbursements:			
Treasury	\$ 2,849	\$ 3,469	\$ 3,462
Total Disbursements	<u>-2,849</u>	<u>-3,469</u>	<u>-3,462</u>
Cash Balance, Ending	\$ <u>7</u>	\$ <u>.....</u>	\$ <u>.....</u>

WATER FACILITIES LOAN FUND

This fund was created by Act 167 of 1982 to implement the water project loan referendum approved by the electorate on November 3, 1981. That referendum authorized the Commonwealth to incur an indebtedness of \$300 million for use as loans to repair, construct, reconstruct, rehabilitate, extend and improve water supply systems or to repair, reconstruct or rehabilitate flood control facilities, dams and port facilities. Act 16 of 1988 transferred the functions of the Water Facilities Loan Board to the Pennsylvania Infrastructure Investment Authority as part of the PENNVEST program.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 8,889	\$ 1,090	.....
Receipts:			
Sale of Bonds	\$ 22,491	.....	.....
Total Receipts	22,491	1,090	.....
Total Funds Available	\$ 31,380	\$ 1,090	.....
Disbursements:			
Environmental Protection	\$ 2	.....	.....
Infrastructure Investment Authority	30,288	\$ 1,090	.....
Total Disbursements	-30,290	-1,090	.....
Cash Balance, Ending	\$ 1,090	.....	.....

WATER FACILITIES LOAN REDEMPTION FUND

Payment of interest and principal due on outstanding water facilities loan bonds is made from this fund. Annual appropriations by the General Assembly and interest and dividends on monies in the Water Facilities Loan Fund provide revenues to this fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 17	\$ 2	.....
Receipts:			
Transfer from General Fund	\$ 17,921	\$ 19,319	\$ 16,188
Interest on Securities	54	15	15
Accrued Interest on Bonds Sold	51	.....	.....
Bond Sale for BANs Repayment	17,000	.....	.....
Total Receipts	35,026	19,334	16,203
Total Funds Available	\$ 35,043	\$ 19,336	\$ 16,203
Disbursements:			
Treasury	\$ 35,041	\$ 19,336	\$ 16,203
Total Disbursements	-35,041	-19,336	-16,203
Cash Balance, Ending	\$ 2	.....	.....

WILD RESOURCES CONSERVATION FUND

This fund was created by Act 170 of 1982. Revenue is derived primarily from tax rebate check-offs and voluntary contributions. The fund collects information relating to population, distribution, habitat needs, limiting factors and other biological and ecological data to classify plants and to determine necessary management measures. These management measures include promotion of a Statewide system of private wild plant sanctuaries, permitting of removal, collection or transplanting of endangered or threatened plant species, and regulation of the digging, harvesting, sale and exploitation of designated species.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 960	\$ 2,205	\$ 2,800
Receipts:			
Tax Check-Offs	\$ 359	\$ 400	\$ 400
Interest on Securities	35	100	125
Voluntary Donations	12	.	.
License Plate Sales	1,369	1,000	1,000
Other	96	95	95
Total Receipts	<u>1,871</u>	<u>1,595</u>	<u>1,620</u>
Total Funds Available	\$ 2,831	\$ 3,800	\$ 4,420
Disbursements:			
Conservation and Natural Resources	\$ 626	\$ 1,000	\$ 1,284
Total Disbursements	<u>-626</u>	<u>-1,000</u>	<u>-1,284</u>
Cash Balance, Ending	<u>\$ 2,205</u>	<u>\$ 2,800</u>	<u>\$ 3,136</u>

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 amended the Workers' Compensation Act, expanding the administrative responsibilities of the department. The fund is supported by annual assessments on insurers and self-insurers under the act. These administrative funds are approved by the Legislature for expenditure through the appropriation process.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 18,693	\$ 22,716	\$ 24,404
Receipts:			
Assessments	\$ 25,962	\$ 41,598	\$ 42,643
Other	1,778	1,850	1,900
Total Receipts	<u>27,740</u>	<u>43,448</u>	<u>44,543</u>
Total Funds Available	\$ 46,433	\$ 66,164	\$ 68,947
Disbursements:			
Executive Offices	\$ 864	\$ 910	\$ 950
Labor and Industry	22,853	40,850	41,680
Total Disbursements	<u>-23,717</u>	<u>-41,760</u>	<u>-42,630</u>
Cash Balance, Ending	<u>\$ 22,716</u>	<u>\$ 24,404</u>	<u>\$ 26,317</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)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 26	\$ 1,589	\$ 1,449
Receipts:			
Assessments	\$ 16,928	\$ 16,500	\$ 16,800
Other	313	300	300
Total Receipts	17,241	16,800	17,100
Total Funds Available	\$ 17,267	\$ 18,389	\$ 18,549
Disbursements:			
Labor and Industry	\$ 15,678	\$ 16,940	\$ 17,100
Total Disbursements	-15,678	-16,940	-17,100
Cash Balance, Ending	\$ 1,589	\$ 1,449	\$ 1,449

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.

Act 70 of 1990 authorized the Catastrophic Loss Benefits Continuation Fund to borrow funds from the Workers' Compensation Security Fund. The loan is expected to be fully repaid in 1994-95.

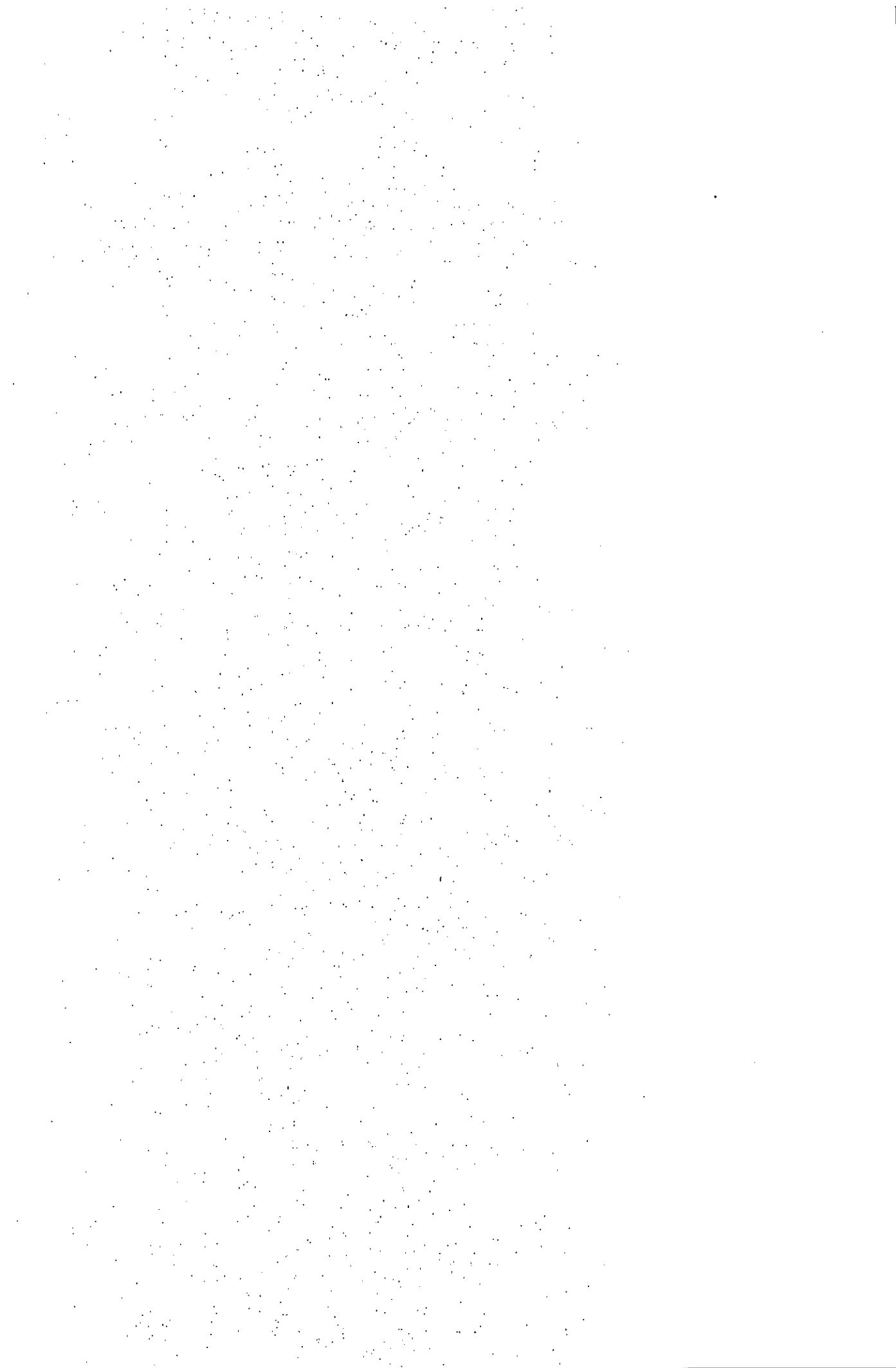
Payment equal to one percent of the net written premiums received for workmen's compensation insurance policies written in the Commonwealth by stock companies, mutual carriers and reciprocal exchanges during the preceeding annual reporting period are credited to the fund. Such payments are required only if the balance (less known liabilities) of the fund is determined to be less than five percent of the loss reserves of all such companies for payments of benefits under the Workmen's Compensation Law.

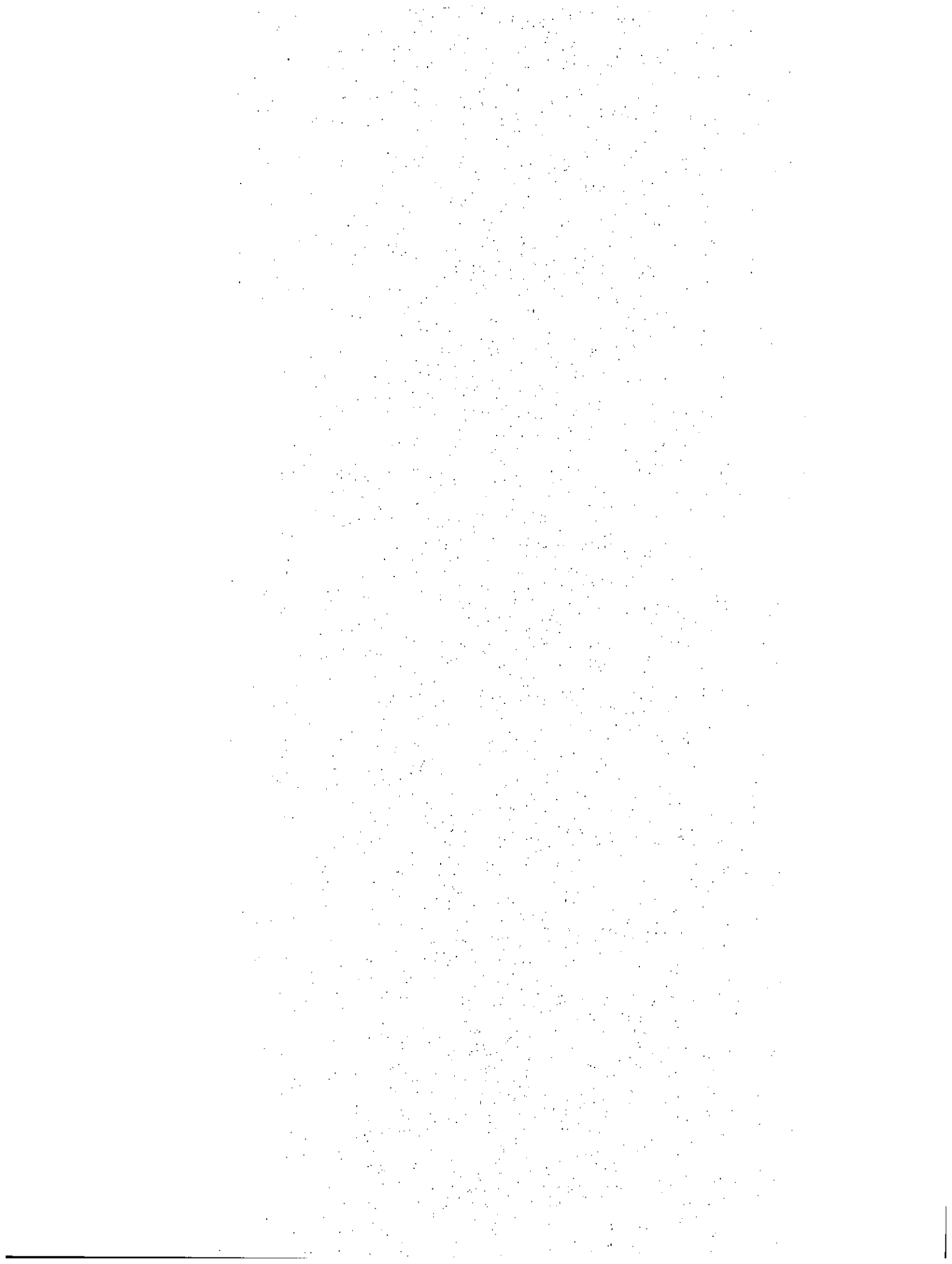
As of June 30, 1994, the indemnity reserves were \$479.5 million and the medical reserves were \$120.2 million. The June 30, 1994, fund balance less reserves was negative \$282.6 million while five percent of the outstanding workmen's compensation carrier reserves was \$380.9 million. A one percent assessment was made for 1993-94.

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)		
	1993-94 Actual	1994-95 Available	1995-96 Estimated
Cash Balance, Beginning	\$ 336,185	\$ 317,112	\$ 334,044
Receipts:			
Premium Contributions	\$ 28,671	\$ 28,000	\$ 28,000
Interest on Securities	19,544	25,000	25,000
Loan Repayment	6,642	6,792	.....
Total Receipts	54,857	59,792	53,000
Total Funds Available	\$ 391,042	\$ 376,904	\$ 387,044
Disbursements:			
Insurance	\$ 32,785	\$ 33,000	\$ 34,000
Net Investment Adjustment	41,145	9,860	9,000
Total Disbursements	-73,930	-42,860	-43,000
Cash Balance, Ending	\$ 317,112	\$ 334,044	\$ 344,044





**In Memoriam:
C. Thomas Stoner
1941 – 1994**

Dedicated budget analyst, colleague and good friend in the Governor's Office of the Budget. He contributed his abilities, time and energy for twenty-six years to the Budgets of four Governors of the Commonwealth and taught other budget analysts who are working throughout State Government.

He will be missed.

