

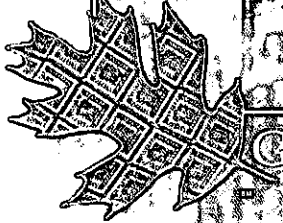
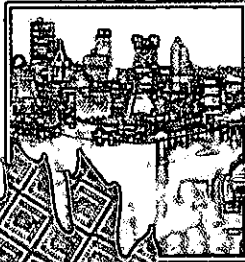


Commonwealth of Pennsylvania

2000-01

# GOVERNOR'S EXECUTIVE BUDGET

Tom Ridge  
Governor



PITTSBURGH DIGITAL GREENHOUSE



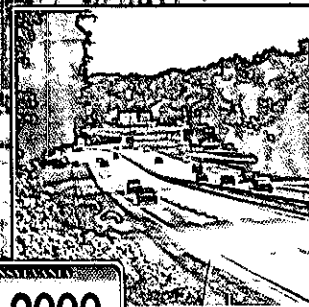
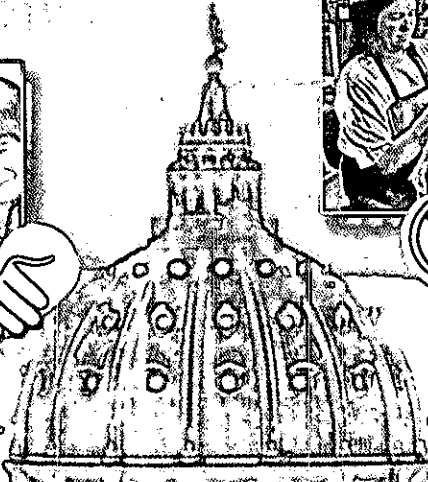
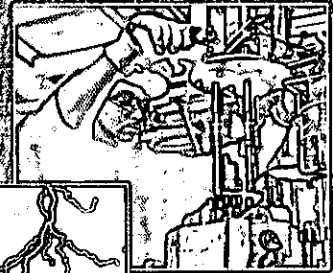
Pennsylvania CareerLink



Link Learn

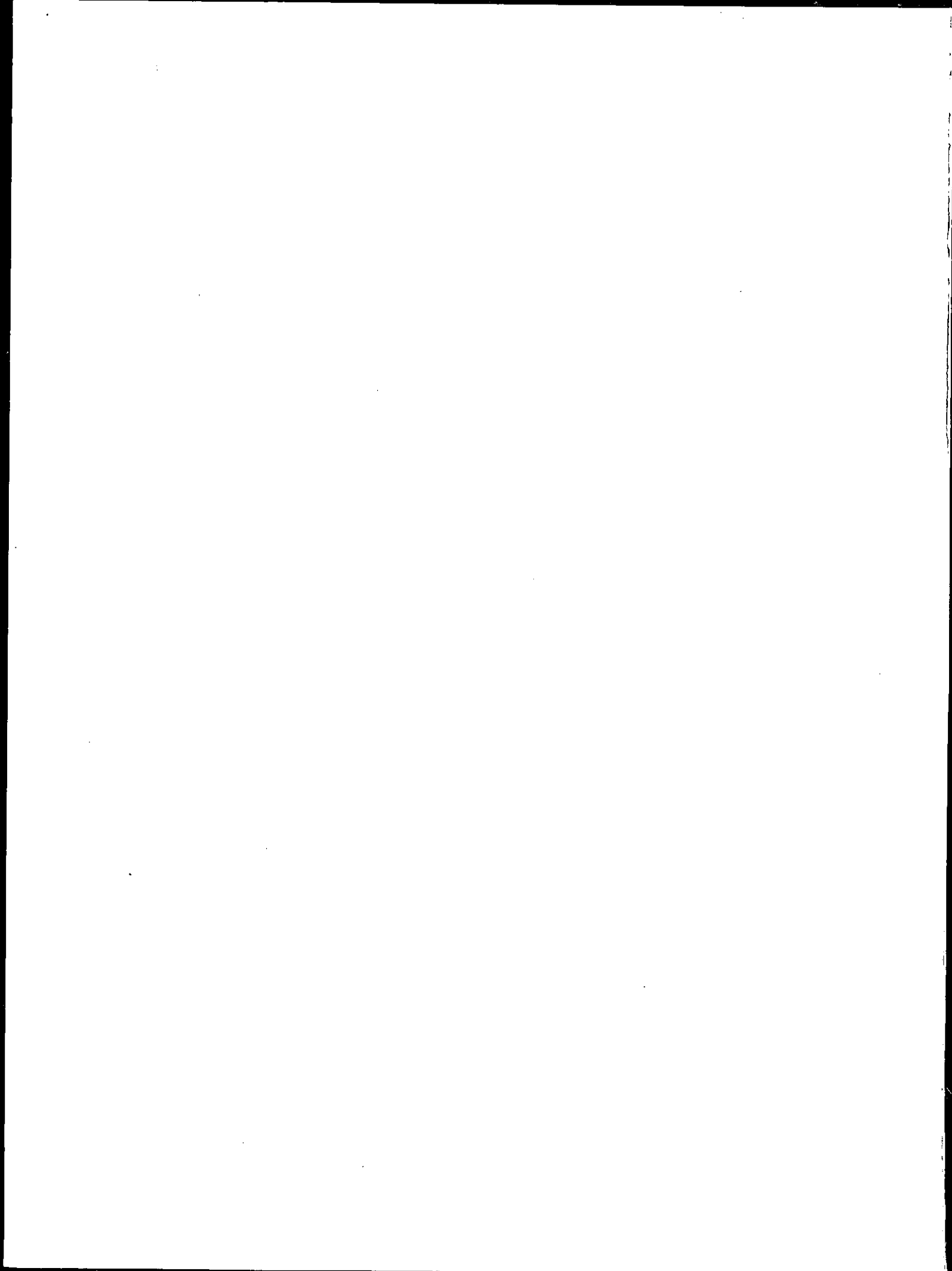


CHILDREN'S PARTNERSHIP



chip

PA-2000  
WWW.STATE.PA.IN





COMMONWEALTH OF PENNSYLVANIA  
OFFICE OF THE GOVERNOR  
HARRISBURG

THE GOVERNOR

February 8, 2000

To the People of Pennsylvania,

Pursuant to Article VII Section 12 of the Constitution of Pennsylvania, and Section 613 of the Administrative Code of 1929 (71 P.S. Section 233), I am transmitting to your representatives in the General Assembly my proposed budget for Fiscal Year 2000-01.

The next several hundred pages outline my proposed budget. These pages are replete with elaborate, detailed data on our fiscal plan. But make no mistake — this budget is not about facts and figures. It's about you — the people of Pennsylvania.

It's about our taxpayers who have saved nearly \$8.7 billion through tax cuts, workers' compensation reform, electric competition and reduced red tape since I took office in 1995.

It's about our working families, for whom we have helped to create nearly 300,000 new jobs since 1995 — and who are benefiting from an unemployment rate that now is at a 30-year low.

It's about our children and their future. Together, we've made historic investments in education over the last five years. Our nationally recognized Link-to-Learn program has opened a new world of technology to our students. We're making sure our children can read. We've invested in violence prevention to help ensure the safety of our teachers and those they teach. We've made historic, new investments in our libraries. And we have tackled much-needed education reforms.

It's about our environment — Penn's Woods. That's why we enacted "Growing Greener" last year to make the largest environmental investment in Pennsylvania history — \$650 million to preserve open space; protect our watersheds; enhance the already best-in-the-nation state parks; add more recreational trails; and honor our proud industrial past by cleaning up polluted abandoned mines.

It's about our customers. We have worked hard to make state government more efficient and more friendly. We have done that by turning on the power of technology — linking government services to the people they serve like never before. Want to start a business here? Click a mouse. State government now is "Friction-Free." We have the nation's best E-commerce digital-signature law. And we have innovative initiatives to create high-tech jobs and bring our young people back home.

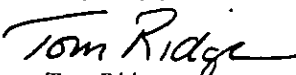
But this budget is not about what's come before. It's about what's next.

If enacted by the General Assembly, this budget will make record tax cuts. It will continue our historic, new investments in the environment and farmland preservation. It will make us the nation's undisputed technology leader. And it will make our schools the best they've ever been.

My proposed budget for next year builds on everything we've done over the last five years to make Pennsylvania an even better place to live and work.

But it's not about charts and graphs, dollar signs and decimal points. It's about you. Families. Taxpayers. Kids. Workers. Employers. This isn't just my proposed budget. It belongs to you.

Very truly yours,

  
Tom Ridge



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO  
Commonwealth of  
Pennsylvania

For the Fiscal Year Beginning  
July 1, 1999

  
President

  
Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Presentation to the Commonwealth of Pennsylvania for its annual budget for the fiscal year beginning July 1, 1999. This award is valid for a period of one year.

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



# Overview of Sections within the Budget

## Preface

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

## A. Overview and Summaries

Provides an overview of program and financial goals and administration policies. It discusses the economic outlook, major operating funds and overall complement. It summarizes the budget for several major Commonwealth funds including the General Fund, Motor License Fund, Environmental Stewardship Fund, Lottery Fund, Tobacco Settlement Fund and Tax Stabilization Reserve (Rainy Day) Fund. It also provides summary information regarding 2000-01 Program Policy Direction and Budget Themes, PRIME, Green Government, Federal Block Grants and Public Information & Communications.

## B. Program Budget Summary

Provides a summary of the 2000-01 Budget by major revenue source and provides information for each major program by component categories and subcategories (subdivisions of programs).

## C. Summary by Fund

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

## D. Tax Expenditures

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

## E. Department Presentations

Provides detailed expenditure information by agency, program and funding source. Program performance measures including impacts, workload, outputs and need/demand estimators for those programs administered by the agency are presented.

## F. Capital Budget

Provides detailed information by agency regarding proposed capital budget projects recommended in 2000-01. In addition, proposed funding sources and amounts needed to support the entire capital program for the next five years are listed.

## G. Public Debt

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

## H. Other Special Funds

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

## I. Complement

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

## J. Statistical Data

Provides historical data for various Pennsylvania economic indicators.

# Table of Contents

## PREFACE

<b>Governor's Letter</b> .....	i
<b>Distinguished Budget Presentation Award</b> .....	iii
<b>Overview of Sections within the Budget</b> .....	iv
<b>Table of Contents</b> .....	v
<b>Reader's Guide:</b>	
Commonwealth of Pennsylvania Organization Chart .....	xviii
The Budget Process .....	xix
The Capital Budget Process .....	xxi
The Structure of the Budget .....	xxii
Budgetary Basis of Accounting .....	xxviii
GAAP Basis of Accounting .....	xxviii
Terms Used in the Budget Process .....	xxix
Federal Funds Identification .....	xxxii

## A. OVERVIEW AND SUMMARIES

<b>Overview of Program and Financial Goals and Policies</b> .....	A3
<b>Statements:</b>	
Seven Year Financial Statement — General Fund .....	A17
Seven Year Financial Statements — Special Funds .....	A18
Seven Year Department Summary by Fund .....	A22
Seven Year Commonwealth Program Summary — General and Special Funds .....	A26
Dollar Chart by Program — General and Special Funds .....	A27
Seven Year Commonwealth Program Summary — General Fund .....	A28
Dollar Chart by Program — General Fund .....	A29
Program Summary — General Fund .....	A30
Dollar Charts — General Fund, Income and Outgo .....	A31
Dollar Chart by Character of Expenditure — General Fund .....	A32
<b>2000-01 Program Policy Direction and Budget Themes:</b>	
2000-01 Program Policy Direction .....	A34
Creating Economic Opportunity .....	A36
Preparing for Our Future .....	A38
Promoting Self-Sufficiency and Enhancing Services .....	A40
Ensuring Public Health and Safety .....	A42
Information Technology for Pennsylvania .....	A44
<b>PRIME</b> .....	A46
<b>Green Government</b> .....	A48
<b>Health Investment Plan</b> .....	A49
<b>Federal Block Grants</b> .....	A51
<b>Public Information and Communications</b> .....	A69

# Table of Contents

## B. PROGRAM BUDGET SUMMARY

Summary of Revenues and Expenditures — Operating .....	B5
Seven Year Summary of Commonwealth Programs — Operating and Capital .....	B6
Direction and Supportive Services .....	B8
Protection of Persons and Property .....	B9
Education .....	B11
Health and Human Services .....	B12
Economic Development .....	B14
Transportation and Communication .....	B15
Recreation and Cultural Enrichment .....	B16

## C. SUMMARY BY FUND

### General Fund

Financial Statement .....	C5
Notes on Financial Statement .....	C6
State Funds by Department .....	C8
Federal Funds by Department .....	C9
Augmentations by Department .....	C10
General Fund Revenue Summary .....	C11
Adjustments to Revenue Estimate .....	C12
Revenues .....	C13

### Motor License Fund

Financial Statement .....	C30
Summary by Department .....	C31
Motor License Fund Revenue Summary .....	C34
Adjustments to Revenue Estimate .....	C34
Revenues .....	C35

### Banking Department Fund

Financial Statement .....	C42
Summary by Department .....	C42
Revenues .....	C43

### Boat Fund

Financial Statement .....	C48
Summary by Department .....	C48
Revenues .....	C49

### Environmental Stewardship Fund

Financial Statement .....	C52
Summary by Department .....	C52
Revenues .....	C54

### Farm Products Show Fund

Financial Statement .....	C58
Summary by Department .....	C58
Revenues .....	C59

# Table of Contents

<b>Fish Fund</b>	
Financial Statement.....	C62
Summary by Department.....	C62
Revenues .....	C63
<b>Game Fund</b>	
Financial Statement.....	C68
Summary by Department.....	C68
Revenues .....	C69
<b>Keystone Recreation, Park and Conservation Fund</b>	
Financial Statement.....	C74
Summary by Department.....	C74
Revenues .....	C76
<b>Lottery Fund</b>	
Financial Statement.....	C80
Summary by Department.....	C81
Revenues .....	C83
<b>Milk Marketing Fund</b>	
Financial Statement.....	C86
Summary by Department.....	C86
Revenues .....	C87
<b>Racing Fund</b>	
Financial Statement.....	C90
Summary by Department.....	C90
Revenues .....	C91
<b>Tobacco Settlement Fund</b>	
Financial Statement.....	C94
Summary by Department.....	C95
Revenues .....	C96

## D. TAX EXPENDITURES

<b>Tax Expenditure Analysis .....</b>	<b>D4</b>
<b>Credit Programs .....</b>	<b>D6</b>
<b>Corporation Taxes .....</b>	<b>D10</b>
Corporate Net Income .....	D10
Capital Stock/Foreign Franchise .....	D14
Utility Gross Receipts .....	D20
Utility Realty.....	D21
Insurance Premiums.....	D24
Bank and Trust Company Shares.....	D25
Mutual Thrift Institutions .....	D26

# Table of Contents

<b>Sales and Use Tax</b> .....	D27
General/Personal Expenditures .....	D27
Fuels and Utilities .....	D33
Motor Vehicles/Vessels .....	D35
Real Estate .....	D38
Production Expenditures .....	D38
Other .....	D40
<b>Cigarette Tax</b> .....	D50
<b>Malt Beverage Tax</b> .....	D51
<b>Liquor Tax</b> .....	D52
<b>Personal Income Tax</b> .....	D52
Exclusions from Income .....	D52
Credits .....	D59
Estimated Taxes .....	D60
<b>Realty Transfer Tax</b> .....	D61
<b>Inheritance Tax</b> .....	D65
Family Related Exemptions and Exclusions .....	D65
Personal Exclusions and Deductions .....	D67
Business Related Exclusions and Deductions .....	D70
Other Exclusions .....	D70
<b>Liquid Fuels and Fuels Tax</b> .....	D72
<b>Oil Company Franchise Tax</b> .....	D72
<b>Alternative Fuels Tax</b> .....	D72
<b>Motor Carriers Road Tax/IFTA</b> .....	D78
<b>Motor Vehicle Code</b> .....	D83
<b>Wagering Tax</b> .....	D87
<b>Admissions Tax</b> .....	D87
<b>Unemployment Compensation Insurance Tax</b> .....	D89
<b>Public Transportation Assistance Fund</b> .....	D90
<b>Utility Realty Tax</b> .....	D90
<b>Motor Vehicle Lease Tax and Motor Vehicle Rental Fee</b> .....	D92
<b>Tire Fee</b> .....	D96

# Table of Contents

## E. DEPARTMENT PRESENTATIONS

<b>Governor's Office</b> .....	E1.3
Summary by Fund and Appropriation .....	E1.5
Program Funding Summary .....	E1.6
Executive Direction .....	E1.7
<b>Executive Offices</b> .....	E2.1
Summary by Fund and Appropriation .....	E2.4
Program Funding Summary .....	E2.8
Executive Direction .....	E2.10
<b>Enhancing Information Technology to Better Serve Pennsylvania</b> .....	E2.14
Legal Services .....	E2.18
Prevention and Elimination of Discriminatory Practices .....	E2.19
Development of Artists and Audiences .....	E2.21
Criminal and Juvenile Justice Planning and Coordination .....	E2.23
Reintegration of Juvenile Delinquents .....	E2.27
<b>Lieutenant Governor</b> .....	E3.1
Summary by Fund and Appropriation .....	E3.3
Program Funding Summary .....	E3.4
Executive Direction .....	E3.5
<b>Attorney General</b> .....	E4.1
Summary by Fund and Appropriation .....	E4.3
Program Funding Summary .....	E4.5
Public Protection and Law Enforcement .....	E4.6
<b>Auditor General</b> .....	E5.1
Summary by Fund and Appropriation .....	E5.3
Program Funding Summary .....	E5.4
Auditing .....	E5.5
Municipal Pension Systems .....	E5.6
<b>Treasury</b> .....	E6.1
Summary by Fund and Appropriation .....	E6.3
Program Funding Summary .....	E6.6
Disbursement .....	E6.7
Interstate Relations .....	E6.10
Debt Service .....	E6.11
<b>Aging</b> .....	E7.1
Summary by Fund and Appropriation .....	E7.3
Program Funding Summary .....	E7.5
Community Services for Older Pennsylvanians .....	E7.6
Pharmaceutical Assistance .....	E7.9
<b>Agriculture</b> .....	E8.1
Summary by Fund and Appropriation .....	E8.3
Program Funding Summary .....	E8.6
Protection and Development of Agricultural Industries .....	E8.7
Horse Racing Regulation .....	E8.12
Emergency Food Assistance .....	E8.14

# Table of Contents

<b>Banking</b> .....	E9.1
Summary by Fund and Appropriation .....	E9.3
Program Funding Summary .....	E9.4
Financial Institution Regulation .....	E9.5
<b>Civil Service Commission</b> .....	E10.1
Summary by Fund and Appropriation .....	E10.3
Program Funding Summary .....	E10.4
Personnel Selection .....	E10.5
<b>Community and Economic Development</b> .....	E11.1
Summary by Fund and Appropriation .....	E11.4
Program Funding Summary .....	E11.8
Community and Economic Development Support Services .....	E11.9
Business and Job Development .....	E11.12
<b>Excelling in the Digital Economy</b> .....	E11.16
Technology Development .....	E11.24
Community Development .....	E11.26
<b>Conservation and Natural Resources</b> .....	E12.1
Summary by Fund and Appropriation .....	E12.3
Program Funding Summary .....	E12.6
Parks and Forests Management .....	E12.7
<b>Corrections</b> .....	E13.1
Summary by Fund and Appropriation .....	E13.3
Program Funding Summary .....	E13.5
Institutionalization of Offenders .....	E13.6
<b>Protecting Public Safety Through Enforcement, Prevention and Rehabilitation</b> .....	E13.12
<b>Education</b> .....	E14.1
Direct Support of Local School Districts .....	E14.5
Summary by Fund and Appropriation .....	E14.6
Program Funding Summary .....	E14.13
Education Support Services .....	E14.14
Basic Education .....	E14.15
<b>Improving Our Schools</b> .....	E14.21
Library Services .....	E14.27
<b>Investing in Pennsylvania's Public Libraries</b> .....	E14.30
Higher Education .....	E14.32
<b>Emergency Management Agency</b> .....	E15.1
Summary by Fund and Appropriation .....	E15.3
Program Funding Summary .....	E15.5
Emergency Management .....	E15.6
Fire Prevention and Safety .....	E15.8
<b>Environmental Protection</b> .....	E16.1
Summary by Fund and Appropriation .....	E16.3
Program Funding Summary .....	E16.8
Environmental Support Services .....	E16.9
Environmental Protection and Management .....	E16.10
<b>Vision for the 21<sup>st</sup> Century Environment</b> .....	E16.20

# Table of Contents

<b>Fish and Boat Commission</b> .....	E17.1
Summary by Fund and Appropriation .....	E17.3
Program Funding Summary.....	E17.5
Recreational Fishing and Boating.....	E17.6
<b>Game Commission</b> .....	E18.1
Summary by Fund and Appropriation .....	E18.3
Program Funding Summary.....	E18.4
Wildlife Management .....	E18.5
<b>General Services</b> .....	E19.1
Summary by Fund and Appropriation .....	E19.3
Program Funding Summary.....	E19.5
Facility, Property and Commodity Management.....	E19.6
<b>Health</b> .....	E20.1
Summary by Fund and Appropriation .....	E20.3
Program Funding Summary.....	E20.7
Health Support Services.....	E20.8
Health Research.....	E20.11
Preventive Health .....	E20.13
Health Treatment Services .....	E20.17
Drug and Alcohol Abuse Prevention and Treatment .....	E20.19
<b>Higher Education Assistance Agency</b> .....	E21.1
Summary by Fund and Appropriation .....	E21.3
Program Funding Summary.....	E21.4
Financial Assistance to Students.....	E21.5
Financial Aid to Institutions.....	E21.7
<b>Historical and Museum Commission</b> .....	E22.1
Summary by Fund and Appropriation .....	E22.3
Program Funding Summary.....	E22.5
State Historic Preservation .....	E22.6
Museum Assistance.....	E22.9
<b>Infrastructure Investment Authority</b> .....	E23.1
Summary by Fund and Appropriation .....	E23.3
Program Funding Summary.....	E23.5
PENNVEST .....	E23.6
<b>Insurance</b> .....	E24.1
Summary by Fund and Appropriation .....	E24.3
Program Funding Summary.....	E24.5
Insurance Industry Regulation.....	E24.6
<b>Labor and Industry</b> .....	E25.1
Summary by Fund and Appropriation .....	E25.3
Program Funding Summary.....	E25.5
Community and Occupational Safety and Stability.....	E25.6
Workers' Compensation and Assistance.....	E25.8
Workforce Investment.....	E25.10
Vocational Rehabilitation .....	E25.12



# Table of Contents

<b>Liquor Control Board</b> .....	E26.1
Summary by Fund and Appropriation .....	E26.3
Program Funding Summary .....	E26.4
Liquor Control .....	E26.5
<b>Military and Veterans Affairs</b> .....	E27.1
Summary by Fund and Appropriation .....	E27.3
Program Funding Summary .....	E27.6
State Military Readiness .....	E27.7
Veterans Homes and School .....	E27.9
Compensation and Assistance .....	E27.12
<b>Milk Marketing Board</b> .....	E28.1
Summary by Fund and Appropriation .....	E28.3
Program Funding Summary .....	E28.4
Milk Industry Regulation .....	E28.5
<b>Probation and Parole Board</b> .....	E29.1
Summary by Fund and Appropriation .....	E29.3
Program Funding Summary .....	E29.4
Reintegration of the Adult Offender .....	E29.5
<b>Public Television Network</b> .....	E30.1
Summary by Fund and Appropriation .....	E30.3
Program Funding Summary .....	E30.4
Public Television Services .....	E30.5
<b>Public Utility Commission</b> .....	E31.1
Summary by Fund and Appropriation .....	E31.3
Program Funding Summary .....	E31.4
Regulation of Public Utilities .....	E31.5
<b>Public Welfare</b> .....	E32.1
Summary by Fund and Appropriation .....	E32.4
Program Funding Summary .....	E32.11
Human Services Support .....	E32.13
Medical Assistance .....	E32.14
Income Maintenance .....	E32.20
<b>Promoting Self-Sufficiency and Responsibility</b> .....	E32.24
Mental Health .....	E32.27
Mental Retardation .....	E32.31
Human Services .....	E32.35
<b>Expanding Home and Community-Based Opportunities for Persons with Disabilities</b> .....	E32.40
<b>Revenue</b> .....	E33.1
Summary by Fund and Appropriation .....	E33.3
Program Funding Summary .....	E33.5
Revenue Collection and Administration .....	E33.6
Community Development and Preservation .....	E33.9
Homeowners and Renters Assistance .....	E33.10
<b>Securities Commission</b> .....	E34.1
Summary by Fund and Appropriation .....	E34.3
Program Funding Summary .....	E34.4
Securities Industry Regulation .....	E34.5

# Table of Contents

<b>State</b> .....	E35.1
Summary by Fund and Appropriation .....	E35.3
Program Funding Summary .....	E35.4
Consumer Protection .....	E35.5
<b>State Employees' Retirement System</b> .....	E36.1
Summary by Fund and Appropriation .....	E36.3
Program Funding Summary .....	E36.4
State Employees' Retirement .....	E36.5
<b>State Police</b> .....	E37.1
Summary by Fund and Appropriation .....	E37.3
Program Funding Summary .....	E37.6
Public Protection and Law Enforcement .....	E37.7
<b>Tax Equalization Board</b> .....	E38.1
Summary by Fund and Appropriation .....	E38.3
Program Funding Summary .....	E38.4
Education Support Services .....	E38.5
<b>Transportation</b> .....	E39.1
State Funding for Transportation .....	E39.3
Summary by Fund and Appropriation .....	E39.4
Program Funding Summary .....	E39.9
Transportation Support Services .....	E39.11
State Highway and Bridge Construction/Reconstruction .....	E39.12
State Highway and Bridge Maintenance .....	E39.14
Local Highway and Bridge Assistance .....	E39.16
Mass Transportation .....	E39.18
Intercity Transportation .....	E39.20
Air Transportation .....	E39.22
Safety Administration and Licensing .....	E39.23
Older Pennsylvanians Transit .....	E39.25
<b>Legislature</b> .....	E40.1
Summary by Fund and Appropriation .....	E40.3
Program Funding Summary .....	E40.5
Legislature .....	E40.6
<b>Judiciary</b> .....	E41.1
Summary by Fund and Appropriation .....	E41.3
Program Funding Summary .....	E41.5
State Judicial System .....	E41.6

## F. CAPITAL BUDGET

Capital Budget Program Summary .....	F3
Estimated Capital Expenditures — State Funds .....	F5
Forecast of New Project Authorizations — State Funds .....	F6
Recommended 2000-01 New Project Authorizations — State Funds .....	F7
Conservation and Natural Resources .....	F8
Corrections .....	F24
Education .....	F28
Emergency Management Agency .....	F31
Environmental Protection .....	F33
General Services .....	F36

Historical and Museum Commission .....	F38
Military and Veterans Affairs .....	F40
Public Welfare .....	F42
State Police .....	F44
Transportation .....	F46
Summary of Forecast of Future New Project Authorizations — State Funds .....	F61
Forecast of Future Projects by Department .....	F62
Summary of Estimated Capital Project Expenditures — State Funds.....	F65
Estimate of Capital Expenditures by Department.....	F66

## G. PUBLIC DEBT

Debt Authorized, Issued and Outstanding .....	G5
General Obligation Bond Issues .....	G6
General Obligation Debt Outstanding .....	G7
Constitutional Debt Limit .....	G8
Debt Service on General Obligation Debt .....	G9
Annual Debt Service on Outstanding General Obligation Bonds.....	G10
Trends in Debt Service and Debt Ratios.....	G11
Outstanding Indebtedness of Pennsylvania Agencies and Authorities.....	G12

## H. OTHER SPECIAL FUNDS

Other Special Funds .....	H5
Acid Mine Drainage Abatement and Treatment Fund .....	H6
Administration Fund .....	H6
Agricultural College Land Scrip Fund.....	H7
Agricultural Conservation Easement Purchase Fund.....	H7
Agricultural Conservation Easement Purchase Sinking Fund.....	H8
Anthracite Emergency Bond Fund .....	H8
Automobile Theft Prevention Trust Fund.....	H9
Ben Franklin/IRC Partnership Fund .....	H9
Capital Debt Fund .....	H10
Capital Facilities Fund.....	H11
Capitol Restoration Trust Fund .....	H11
Catastrophic Loss Benefits Continuation Fund .....	H12
Children's Trust Fund.....	H13
Clean Air Fund .....	H13
Coal and Clay Mine Subsidence Insurance Fund .....	H14
Coal Lands Improvement Fund.....	H14
Conrad Weiser Memorial Park Trust Fund.....	H15
Deferred Compensation Fund .....	H15
Deferred Compensation Fund – Short-Term Portfolio.....	H16
Disaster Relief Fund.....	H16
Disaster Relief Redemption Fund .....	H17
DNA Detection Fund .....	H17
Emergency Medical Services Operating Fund .....	H18
Employment Fund for the Blind.....	H19
Energy Conservation and Assistance Fund.....	H20
Energy Development Fund.....	H20
Environmental Education Fund .....	H21
Financially Distressed Municipalities Revolving Aid Fund .....	H21
Fire Insurance Tax Fund.....	H22
Hazardous Material Response Fund.....	H22
Hazardous Sites Cleanup Fund .....	H23

# Table of Contents

Higher Education Assistance Fund .....	H24
Highway Beautification Fund .....	H24
Historical Preservation Fund .....	H25
HOME Investment Trust Fund .....	H25
Industrial Development Fund .....	H26
Industrial Sites Cleanup Fund .....	H26
Insurance Fraud Prevention Trust Fund .....	H27
Insurance Liquidation Fund .....	H27
Keystone Recreation, Park and Conservation Sinking Fund .....	H28
Land and Water Development Fund .....	H28
Land and Water Development Sinking Fund .....	H29
Liquid Fuels Tax Fund .....	H29
Liquor License Fund .....	H30
Local Criminal Justice Fund .....	H30
Local Criminal Justice Sinking Fund .....	H31
Local Government Capital Project Loan Fund .....	H31
Low-Level Waste Fund .....	H32
Machinery and Equipment Loan Fund .....	H32
Manufacturing Fund .....	H33
Medical Professional Liability Catastrophe Loss Fund .....	H33
Minority Business Development Fund .....	H34
Motor Vehicle Transaction Recovery Fund .....	H34
Municipal Pension Aid Fund .....	H35
Non-Coal Surface Mining Conservation and Reclamation Fund .....	H36
Nursing Home Loan Sinking Fund .....	H36
Nutrient Management Fund .....	H37
Oil and Gas Lease Fund .....	H37
Organ Donation Awareness Trust Fund .....	H38
Pennsylvania Economic Revitalization Fund .....	H39
Pennsylvania Economic Revitalization Sinking Fund .....	H39
Pennsylvania Historical and Museum Commission Trust Fund .....	H40
Pennsylvania Infrastructure Bank .....	H40
Pennsylvania Municipal Retirement Fund .....	H41
Pennsylvania Veterans Memorial Trust Fund .....	H41
PENNVEST Bond Authorization Fund .....	H42
PENNVEST Drinking Water Revolving Fund .....	H42
PENNVEST Fund .....	H43
PENNVEST Non-Revolving Equity Fund .....	H43
PENNVEST Redemption Fund .....	H44
PENNVEST Revolving Fund .....	H44
PENNVEST Water Pollution Control Revolving Fund .....	H45
Pharmaceutical Assistance Fund .....	H45
Philadelphia Regional Port Authority Fund .....	H46
Port of Pittsburgh Commission Fund .....	H46
Project 70 Land Acquisition Sinking Fund .....	H47
Public Transportation Assistance Fund .....	H47
Purchasing Fund .....	H48
Real Estate Recovery Fund .....	H48
Recycling Fund .....	H49
Rehabilitation Center Fund .....	H49
Remining Environmental Enhancement Fund .....	H50
Remining Financial Assurance Fund .....	H50
School Employees' Retirement Fund .....	H51
Self-Insurance Guaranty Fund .....	H52
Small Business First Fund .....	H52

# Table of Contents

Solid Waste-Resource Recovery Development Fund .....	H53
Special Administration Fund .....	H53
State College Experimental Farm Fund .....	H54
State Employees' Retirement Fund .....	H54
State Insurance Fund .....	H55
State Restaurant Fund .....	H55
State School Fund .....	H56
State Stores Fund .....	H57
State Treasury Armory Fund .....	H57
State Workmen's Insurance Fund .....	H58
Storage Tank Fund .....	H59
Supplemental State Assistance Fund .....	H59
Surface Mining Conservation and Reclamation Fund .....	H60
Tax Note Sinking Fund .....	H60
Tax Stabilization Reserve Fund .....	H61
Tuition Payment Fund .....	H61
Underground Storage Tank Indemnification Fund .....	H62
Unemployment Compensation Benefit Payment Fund .....	H63
Unemployment Compensation Contribution Fund .....	H63
Vietnam Conflict Veterans' Compensation Sinking Fund .....	H64
Vocational Rehabilitation Fund .....	H64
Volunteer Companies Loan Fund .....	H65
Volunteer Companies Loan Sinking Fund .....	H65
Water Facilities Loan Fund .....	H66
Water Facilities Loan Redemption Fund .....	H66
Wild Resources Conservation Fund .....	H67
Workmen's Compensation Administration Fund .....	H67
Workers' Compensation Security Fund .....	H68
Workmen's Compensation Supersedeas Fund .....	H69
<b>I. Complement</b>	
Salaried Complement By Agency .....	15
Summary of 2000-01 Complement Changes .....	16
<b>J. Statistical Data</b>	
State Population Trends .....	J5
Gross State Product Trends .....	J6
State Employment Trends .....	J7
State Personal Income Trends .....	J8



---

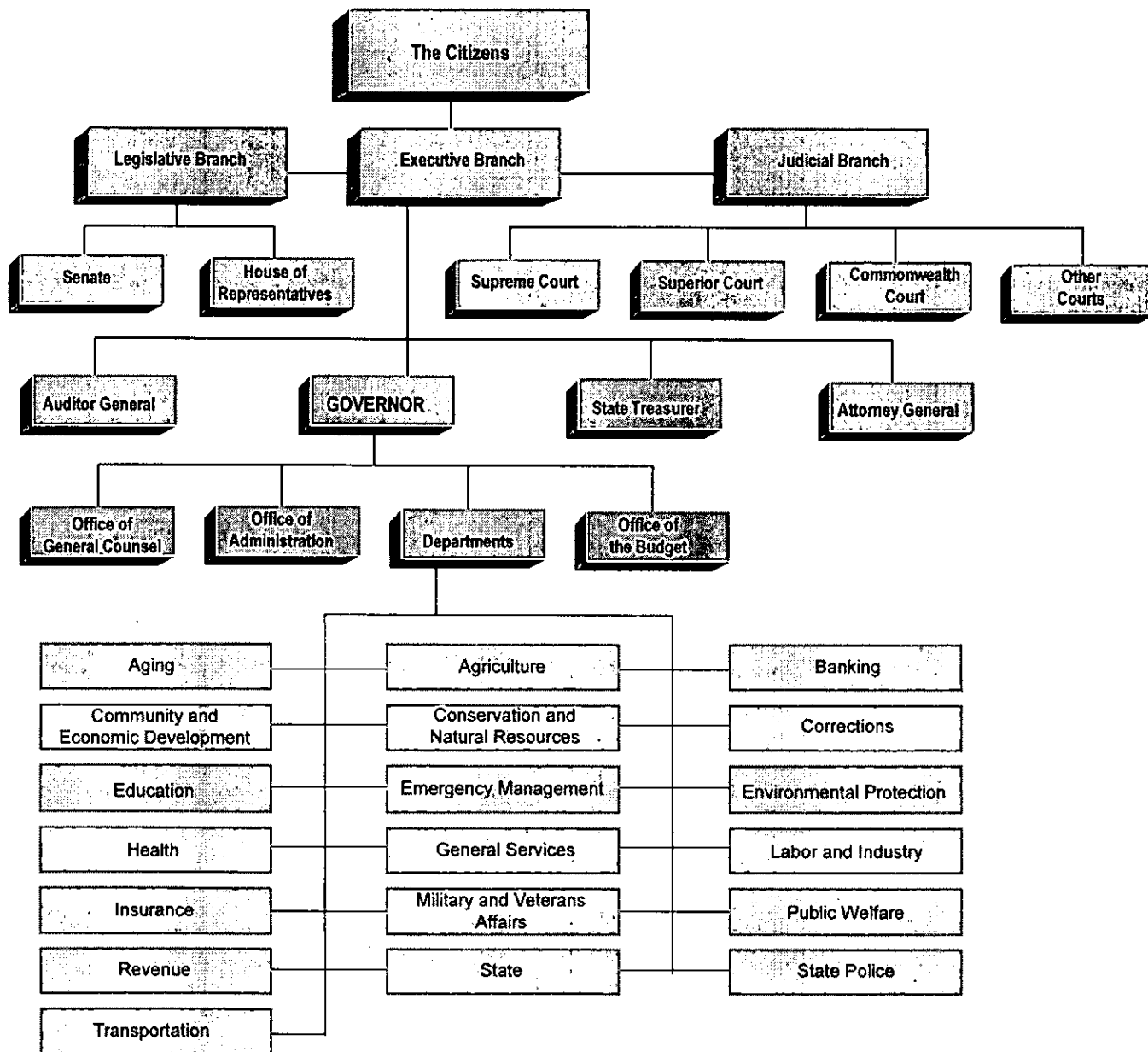
# READER'S GUIDE

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

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

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

# Commonwealth of Pennsylvania Organization Chart



**AGENCIES**

Higher Education Assistance  
Housing Finance  
Interstate Agencies

**AUTHORITIES**

Energy Development  
Higher Education Facilities  
Industrial Development  
Infrastructure Investment  
Minority Business Development  
Public School Building  
Transportation Assistance

**BOARDS**

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

**COMMISSIONS**

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

# The Budget Process

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

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

## PHASES OF THE BUDGET PROCESS

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

### PREPARATION

The preparation stage of the budget process begins nearly twelve months prior to the start of that fiscal year. The first step of the preparation stage is the distribution of the Budget Instructions by the Office of the Budget and the Program Policy Guidelines by the Governor. The Program Policy Guidelines define major policy issues, spell out priorities and provide policy direction to the agencies for budget preparation.

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

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

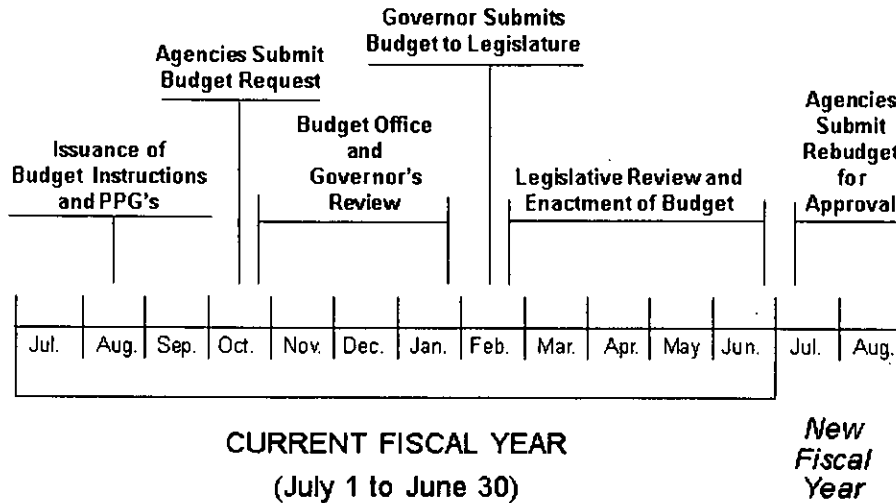
The Secretary of the Budget and his staff review agency budget requests for accuracy and for adherence to the Governor's policy guidelines. The Agency Program Plan and the appropriation templates are used by the Office of the Budget to analyze the agency requests and prepare funding recommendations for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

### APPROVAL

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



**BUDGET CYCLE IN PENNSYLVANIA**



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

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

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

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

**EXECUTION**

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

**AUDIT**

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

# The Capital Budget Process

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

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

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

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

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

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

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

## *The Structure of the Budget*

### THE COMMONWEALTH PROGRAM PLAN

The budget presentation for each department or agency is shown on an appropriation basis and also on a 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
- 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. 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 2000-01 are identified as departmental Program Revision Requests (PRRs) which provide explanations and justification for the change.

Beyond 2000-01, the projections of financial data, as well as impacts and other program measures, show the future implications of the 2000-01 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 2000-01 level of commitment.

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

### ***Summary By Fund And Appropriation***

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

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

For purposes of this presentation, State funds include the General, Motor License, Banking Department, Boat, Environmental Stewardship, Farm Products Show, Fish, Game, Keystone Recreation, Park and Conservation, Lottery, Milk Marketing, Racing and Tobacco Settlement funds.

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

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

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

"(A)" Identifies monies which augment a State appropriation. Institutional collections 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.

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

### ***Program Presentation***

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

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

**Narrative**—Describes program services and activities.

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

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

**Program 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.

Section H of this document provides brief descriptive and financial data for those special funds of the Commonwealth not given an expanded treatment in other sections of the budget.

# The Summary by Fund and Appropriation

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

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

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

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

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

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

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

**GENERAL FUND:**

General Government:

- General Government Operations .....
- (F) Historic Preservation .....
- (F) Intermodal Surface Transportation Safety Act .....
- (F) Railroad Museum Improvement .....
- (F) Erie Maritime Center .....
- (A) Historic Preservation Fund .....
- (R) Keystone Fund .....
- Subtotal .....

Records and Management Information .....

Maintenance Program .....

- Subtotal - State Funds .....
- Subtotal - Federal Funds .....
- Subtotal - Augmentations .....
- Total - General Government .....

Grants and Subsidies:

- Museum Assistance Grants .....
- University of Pennsylvania Museum .....
- Carnegie Museum of Natural History .....
- Franklin Institute Science Museum .....
- Academy of Natural Sciences .....
- Carnegie Science Center .....
- Afro-American Historical and Cultural Museum .....
- Museum of Scientific Discovery .....

Total - Grants and Subsidies .....

- STATE FUNDS .....
- FEDERAL FUNDS .....
- AUGMENTATIONS .....

GENERAL FUND TOTAL .....

**KEYSTONE RECREATION, PARK AND CONSERVATION FUND:**

Grants and Subsidies:

- Historic Site Development - Bond Proceeds .....
- Historic Site Development - Realty Transfer Tax .....

Total - Grants and Subsidies .....

KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL .....

**OTHER FUNDS:**

GENERAL FUND:

- Historic Preservation Act of 1966 .....

HISTORICAL PRESERVATION FUND:

- Historic Preservation Fund .....

DEPARTMENT TOTAL - ALL FUNDS

- GENERAL FUNDS .....
- SPECIAL FUNDS .....
- FEDERAL FUNDS .....
- AUGMENTATIONS .....
- OTHER FUNDS .....

TOTAL ALL FUNDS .....



# Land and Museum Commission

## Appropriation

(Dollar Amounts in Thousands)

1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
\$ 15,354	\$ 16,794	\$ 18,891
1,059	1,100	1,000
52	47	0
312	1,312	0
50	50	10
435	400	400
0	230	232
<u>\$ 17,262</u>	<u>\$ 19,933</u>	<u>\$ 23,291</u>
<u>\$ 450</u>	<u>\$ 444</u>	<u>\$ 0</u>
<u>\$ 944</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>
\$ 16,748	\$ 18,238	\$ 19,891
1,473	2,509	1,010
435	630	632
<u>\$ 18,656</u>	<u>\$ 21,377</u>	<u>\$ 21,533</u>
\$ 4,930	\$ 5,400	\$ 4,000
181	181	181
181	181	181
547	547	547
335	335	335
181	181	181
256	256	256
100	100	100
<u>\$ 6,711</u>	<u>\$ 7,181</u>	<u>\$ 5,781</u>
\$ 23,459	\$ 25,419	\$ 25,672
1,473	2,509	1,010
435	630	632
<u>\$ 25,367</u>	<u>\$ 28,558</u>	<u>\$ 27,314</u>
\$ 3,403	\$ 0	\$ 0
6,341	4,555	4,646
<u>\$ 9,744</u>	<u>\$ 4,555</u>	<u>\$ 4,646</u>
<u>\$ 9,744</u>	<u>\$ 4,555</u>	<u>\$ 4,646</u>
\$ 930	\$ 80	\$ 80
\$ 4,301	\$ 6,500	\$ 5,500
\$ 23,459	\$ 25,419	\$ 25,672
9,744	4,555	4,646
1,473	2,509	1,010
435	630	632
5,231	6,580	5,580
<u>\$ 40,342</u>	<u>\$ 39,693</u>	<u>\$ 37,540</u>

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

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

Identifies selected restricted accounts and/or one of a group of special funds which are presented on a limited basis in Section H: Other Special Funds.

**PROGRAM OBJECTIVE:** To manage resources through a comprehensive history to interpret, research and preserve all are

### Program Presentation

Each Program Presentation provides a written and financial explanation of the activities of the program. Recommendations for the continuation of current programs at essentially current levels of commitment are shown within department program subcategories. Recommendations for major program changes in 2000-01 are identified as department Program Revision Requests (PRRs) which provide explanations and justification for the change.

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

**General Government Operations** — Identifies a specific appropriation.

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

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

### Program: 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, information technology, financial grant administration, fiscal and revenue management, and other services. In addition, it administers a Property Management and Lease Program through cooperative agreements with management groups or profit and nonprofit organizations to operate, maintain and utilize historic sites, buildings and agricultural lands under the custody of the commission.

#### Program Measures:

**Historic Preservation**

Objects maintained and conserved (in thousands) .....	2,000	2,000
Commission buildings undergoing improvement .....	88	76

The measure "Commission buildings undergoing improvement" because 1) all bond funds under the Keystone Recreation, Park and Recreation Act, Act of June 30, 1997 and 2) revised approach to managing maintenance.

#### Program Recommendations:

This budget

\$ 1,000	General Government Operations — PRR — Administrative Support for Historic Sites. To provide administrative support necessary to open the Erie Maritime Museum, and for the expansion of the Railroad Museum of Pennsylvania, and the Somerset Historical Center. See the Program Revision following this program for additional information.
230	— to continue current program.
\$ 1,230	<b>Appropriation Increase</b>

#### Appropriations within this Program:

	1998-99 Actual	1999-00 Available
<b>GENERAL FUND:</b>		
General Government Operations .....	\$ 15,354	\$ 16,794
Records and Management Information .....	450	4444
Maintenance Program .....	944	1,000
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 16,748</b>	<b>\$ 18,238</b>



# Historical and Museum Commission

Identifies the agency being presented.

to help safeguard Pennsylvania's historic and museum program to educate and preserve Pennsylvania history.

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

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

## Program Element: Historic Preservation

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

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 archeological 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.

**Narrative** — Describes program services and activities.

2,000	2,000	2,000	2,000	2,000
50	50	50	50	50

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

has been reduced substantially from last year's budget and Conservation Fund are anticipated to be expended by the projects.

recommends the following changes: (Dollar Amounts in Thousands)

\$	-6	<b>Records and Management Information</b> —to continue current program.
\$	56	<b>Maintenance Program</b> —to continue current program.

(Dollar Amounts in Thousands)

2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
18,891	\$ 19,916	\$ 20,262	\$ 20,610	\$ 20,973
0	0	0	0	0
1,000	1,020	1,040	1,061	1,082
<u>19,891</u>	<u>\$ 20,936</u>	<u>\$ 21,302</u>	<u>\$ 21,671</u>	<u>\$ 22,055</u>



## **Budgetary Basis of Accounting**

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

The Commonwealth's budgets are prepared essentially on a modified cash basis. Total appropriations enacted by the General Assembly may not exceed the ensuing fiscal year's estimated revenues, as developed by the Governor, plus (less) the unappropriated fund balance (deficit) of the preceding fiscal year, except for constitutionally authorized debt service payments.

Budgetary control is exercised at the appropriation level (legislative spending authority level). Encumbrances and expenditures cannot exceed appropriated amounts. Appropriation transfers between departments and any supplemental appropriations require both executive and legislative branch approval. Unencumbered and unexpended appropriations return to the fund balance at fiscal year end and become available for appropriation in the subsequent year. On the budgetary basis of accounting, certain estimated tax revenue accruals are recorded at fiscal year end for the General Fund and the Motor License Fund, a special revenue fund. Accruals include sales and use taxes and personal income taxes, both applicable to the General Fund, and liquid fuels taxes applicable to the Motor License Fund, which are estimated to be owed to the Commonwealth but not collected at fiscal year end. Also, estimated encumbrances are established for all funds at fiscal year end to pay direct expenditures such as salaries, wages, travel, and utility costs payable against prior year appropriation authority but expended in the subsequent year. Over-estimates of prior year encumbrances are lapsed in the subsequent year and under-estimates are paid from subsequent year appropriations.

Budgets are statutorily adopted each fiscal year for the General Fund and the following special revenue funds: Banking, Lottery, Milk Marketing, Motor License and Workmen's Compensation Administration.

Not all special revenue funds are controlled by statutorily adopted budgets. Controls over spending in such special revenue funds are maintained by use of spending limits (executive authorizations) established by the Governor, within parameters established by the General Assembly.

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

## **GAAP Basis of Accounting**

The budgetary basis financial information maintained by the Commonwealth to monitor and enforce budgetary control is adjusted at fiscal year-end to reflect appropriate accruals for financial reporting in conformity with generally accepted accounting principles (GAAP). The use of GAAP requires a modified accrual basis of accounting for governmental and certain fiduciary fund types whereby revenues are recognized when they become both measurable and available to finance expenditures and whereby expenditures are generally recognized and recorded when a liability to make a payment, regardless of when the cash disbursement is to be made, is incurred. For proprietary and certain fiduciary fund types, GAAP requires a full accrual basis of accounting.

## Terms Used in the Budget Process

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

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

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

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

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

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

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

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

**Encumbrance:** That portion of an appropriation representing an expenditure pursuant to a contract, a purchase order, or a known invoice but where an actual disbursement has not been made. In accrual accounting it is treated as a debit against the appropriation in the same manner as a disbursement of cash.

**Executive Authorization:** An authorization made in the name of the Governor to spend money from funds which had been previously appropriated through blanket action of the General Assembly. Usually this term is used in connection with the special funds. An example of this would be in the case of Tax Anticipation Notes interest and Sales Tax refunds.

**Expenditure:** As contrasted with disbursement, an accounting entry which is both the payment of cash or any encumbrance, as in accrual accounting.

**Federal Fiscal Year (FFY):** A twelve-month period beginning October 1 and ending September 30 of the following calendar year which is used as the Federal accounting and appropriation period. Referred to by the year in which the fiscal year ends. For example, October 1, 1999 to Sept. 30, 2000 would be FFY 2000.

**Federal Funds Appropriation:** All monies, regardless of source, deposited in the State Treasury must be appropriated. Federal funds are appropriated for a specific time period.

**Fiscal Year:** A twelve-month period beginning July 1 and ending June 30 of the following calendar year which is used as the State's accounting and appropriation period. Referred to by the year in which the fiscal year begins, for example, July 1, 1999 to June 30, 2000 would be 1999-00.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Program Measure:** A general term applied to any of the substantive measures found in the agency programs. Included are impacts, outputs and need and/or demand estimators.

**Program Revision Request (PRR):** A PRR is submitted to support new programs or major changes in existing programs. The PRR reflects the guidance provided by the Governor's Annual Program Policy Guidelines, results obtained from special analytic studies, and needs or demands considered relevant by the Governor.

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

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

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

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

**Revenue:** Monies received from taxes, fees, fines, Federal grants, bond sales and other sources deposited in the State Treasury and available as a source of funds to State Government.

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

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

Federal Funds Identification

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

ADA	Americans with Disabilities Act
ARC	Appalachian Regional Commission
BG	Block Grant
CCDBG	Child Care and Development Block Grant
CCDFBG	Child Care and Development Fund Block Grant
CSBG	Community Services Block Grant
DCSI	Drug Control and Systems Improvement
DFSC	Safe and Drug Free Schools and Communities
DOE	Department of Energy
EDA	Economic Development Administration
EEOC	Equal Employment Opportunity Commission
EPA	Environmental Protection Agency
EPCA	Energy Policy and Conservation Act
ESEA	Elementary and Secondary Education Act
FEMA	Federal Emergency Management Agency
FFY	Federal Fiscal Year (October 1 to September 30)
FHWA	Federal Highway Administration
FTA	Federal Transit Administration
HHS	Health and Human Services
HUD	Department of Housing and Urban Development
JAIBG	Juvenile Accountability Incentive Block Grant
JTPA	Job Training Partnership Act
LIHEABG	Low-Income Home Energy Assistance Block Grant
LSTA	Library Services and Technology Act
LWCF	Land and Water Conservation Fund
MA	Medical Assistance
MAGLOCLN	Middle Atlantic Great Lakes Organized Crime Law Enforcement Network
MCH	Maternal and Child Health
MCHSBG	Maternal and Child Health Services Block Grant
MH/MR	Mental Health/Mental Retardation Services
MHSBG	Mental Health Services Block Grant
NEA	National Endowment for the Arts
NPDES	National Pollutant Discharge Elimination System
NSF	National Science Foundation
OEP	Office of Emergency Preparedness
OSM	Office of Surface Mining
PHHSBG	Preventive Health and Health Services Block Grant
RSAT	Residential Substance Abuse Treatment
SABG	Substance Abuse Block Grant
SCDBG	Small Communities Development Block Grant
SDA	Service Delivery Area
SSA	Social Security Act
SSBG	Social Services Block Grant
SSI	Supplemental Security Income
TANFBG	Temporary Assistance to Needy Families Block Grant
USFWS	United States Fish and Wildlife Service
VA	Veterans' Administration
WIA	Workforce Investment Act
WIC	Women, Infants and Children Program
YDC	Youth Development Center



Governor's Executive Budget

*OVERVIEW*  
*AND*  
*SUMMARIES*

## OVERVIEW

Five years ago, Governor Ridge challenged both government and citizens to restore Pennsylvania's leadership role among states and nations. Simply stated, we would need to work together to become a leader among states, a competitor among nations, and to provide an enhanced quality of life for our families and communities. This challenge frames the Mission and Goals of the Ridge Administration.

### GOVERNOR'S MISSION STATEMENT

To make Pennsylvania a leader among states and a competitor among nations, providing an enhanced quality of life for Pennsylvania's families and communities.

#### GOAL: STRENGTHENING FAMILIES AND COMMUNITIES

To **strengthen families and communities** by reestablishing individual accountability and responsibility, and empowering citizens to exercise greater control over their own lives for the well-being of themselves, their families and their communities.

#### GOAL: MAKING GOVERNMENT USER FRIENDLY AND CUSTOMER FOCUSED

To provide quality government which is **user-friendly and customer-focused**, responsive and accountable to the citizens it serves.

#### GOAL: CREATING ECONOMIC OPPORTUNITY

To create a "**job-friendly**" Pennsylvania that enables employers and communities to provide all citizens with unmatched **economic opportunities** and an unsurpassed quality of life in an increasingly competitive global market.

#### GOAL: LIFELONG LEARNING

To create a quality, results-oriented educational system of **lifelong learning** which provides all Pennsylvanians with the skills and abilities to succeed and excel in a rapidly changing world.

#### GOAL: PROTECTING OUR HOMES AND COMMUNITIES

To **protect our homes and communities** through a comprehensive and cooperative approach to battling crime that restores safety and security to our families and neighborhoods and a sense of community to our Commonwealth.

#### GOAL: BUILDING A NEW ENVIRONMENTAL PARTNERSHIP

To build a **new environmental partnership** to protect Pennsylvania's environment and the public health, using sound science and technology to secure compliance assistance, pollution prevention and the effective use of our natural and human resources.

#### GOAL: ESTABLISHING AND MAINTAINING A FIRST-RATE INFRASTRUCTURE

To **establish and maintain a first-rate infrastructure** which unites roads, rails, waterways, airports and information networks linking goods, services, people and ideas to our communities and to world markets.

To accomplish these goals, Governor Ridge, in his annual budget proposals, has pursued a conservative, disciplined strategy of fiscal management which includes: targeted tax cuts for individuals and business, controlled State spending and personnel complement levels, managed long-term debt, and increased Rainy Day reserve funds.



The annual budget proposal not only is the single most important policy and planning document of the Administration, but also is an effective vehicle to communicate the Governor's vision, mission and goals to the citizens of Pennsylvania. Governor Ridge repeatedly has said that government does not have any money of its own, that every dollar it spends and every resource it manages belongs to decent, honest and hard-working Pennsylvanians. This philosophy, that money belongs to the taxpayers, and that people, not government, know better how to spend their hard-earned money, is reflected in the Administration's tax reduction efforts which have resulted in substantial tax cuts for both businesses and/or individuals in each of the past five budgets. Business and individual tax reductions, coupled with comprehensive reform of the workers' compensation system, competition initiatives like electricity and gas deregulation, and reforms to the State regulatory process have allowed the Commonwealth to make significant progress toward creating economic opportunity, family sustaining jobs and a positive business climate.

This Administration recognizes that government cannot be all things to all people. What government can do for individuals is limited, but there is no limit to what individuals can do for themselves. Therefore, the appropriate role of government is to provide individuals the opportunity for, and remove the barriers to, individual achievement. Complementary to this is the concept of partnerships between government and businesses, service providers, individuals and communities. Given the opportunity, businesses, service providers, individuals and community organizations can serve admirably in finding their own solutions to problems and creating their own opportunities. Government, in turn, is most effective when called upon to respond by its citizens. In some cases, government can be the catalyst to finding solutions; in others, government must simply remove itself as an obstacle. This Administration will continue to look beyond its statutory duties and program responsibilities for ways to use the resources and energies of State Government to foster and mobilize non-governmental efforts to address and meet challenges and create opportunities.

Emerging and existing technologies provide greater opportunities for government to work more effectively and efficiently. This Administration's vision is to create an integrated and agile organization using information technology to deliver innovative and timely solutions, and seamless and responsive services. By utilizing innovative management techniques to improve customer service and increase efficiency in the workplace, this Administration has been able to control State spending and personnel complement levels while improving governmental service levels. This has allowed the Administration to focus on achieving its mission and goals while being responsible stewards of Commonwealth resources and taxpayers' money. Through strategic partnerships and investments, the Commonwealth can continue to maximize customer services, achieve cost savings and position itself to proactively embrace progress and change.

The Administration's efforts to keep long-term debt issuance within levels that are affordable in the future and its success in improving the Commonwealth's financial position led to, in 1997, the first increase in the bond rating in 11 years. Since that first rating increase, all of the other major Commonwealth's municipal bond rating firms have raised their ratings on the Commonwealth's bonds. For the first time in nearly 30 years, the Commonwealth's bond ratings from all the major bond rating firms are in the double-A category of ratings.

Through conservative and disciplined fiscal management, the Commonwealth has ended each of the past five years with a budget surplus. A total of 15 percent of the annual General Fund budget surplus is earmarked for deposit into the Rainy Day Fund, a reserve fund which can be accessed to stabilize the Commonwealth budget during severe economic downturns. Between 1994-95 and 2000-01, the balance in the Rainy Day Fund will increase by over \$1 billion from \$66.3 million to over \$1.1 billion, and it is anticipated that it will include an additional \$78.3 million transfer from the June 30, 2000 closing balance of the General Fund.

Over the past five years, the Administration has made significant progress in achieving its mission and goals. Commonwealth budgets and programs have reflected the vision of this Administration and have provided real and productive change for State Government and its citizens. Key to the successes to date and vital to future achievements is the Administration's desire to continually improve efforts to serve the needs of our customers, the citizens and taxpayers of Pennsylvania.





The reader is referred to the *2000-01 Program Policy Direction and Budget Themes* portion of the Overview and Summaries Section for a discussion of the budget direction given agencies and for a summary of Program Revision Recommendations included in the 2000-01 Governor's Executive Budget. The reader is also referred to the 2000-01 Budget in Brief, a separate booklet, for summary information on the Governor's 2000-01 Executive Budget, including recommended tax relief proposals for individuals and business and recommended program changes and funding amounts in pursuit of the Administration's mission and goals for the Commonwealth.

## ECONOMIC OUTLOOK

The economic assumptions used to produce many of the tax revenue estimates in this budget were obtained from WEFA, Inc., Eddystone, Pennsylvania, a private economic forecasting and consulting firm. Projections from WEFA's national baseline forecast were used for the revised 1999 estimates and estimates for the budget year and other future fiscal years in this document. WEFA's baseline scenario represents the economic forecast that, in WEFA's opinion, is the forecast most likely to occur. Using the baseline forecast in the 2000-01 budget represents a change from the previous seven fiscal year budgets. For those prior budgets, the Commonwealth used projections from a low-growth forecast normally prepared by WEFA as a conservative alternative to their baseline forecast. The decision to return to using the more optimistic economic outlook in the baseline forecast is expected to end the pattern during the past three fiscal years for actual tax revenues to far exceed budget revenue estimates. A substantial underestimation of revenues, despite their help in increasing the Rainy Day Fund balance, precludes effective planning for budget resources for a fiscal year. Economic forecast scenarios available from WEFA other than the baseline forecast are described by WEFA as low-growth, high-growth, and recession.

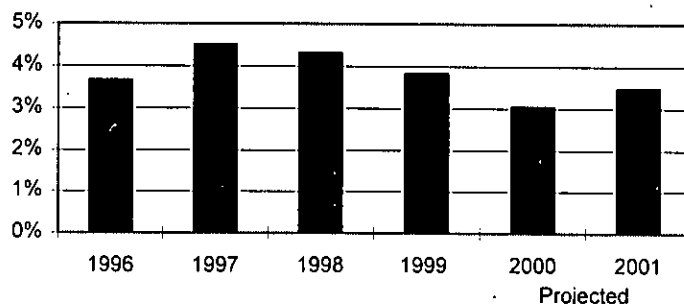
### Recent Trends

Relatively strong economic growth and low inflation during the last three years mark a dramatic change from the modest growth and inflation of the seven years prior to that period. The factors that are responsible for this shift in economic trends are still being debated. However, recently revised national economic data clearly portray an economy where productivity gains have produced larger economic gains and lower inflation than indicated by the previously available data. The result has been that the nation's economy during the past three years has exhibited a surprising resilience to inflation and to more moderate economic growth rates. Inflation has averaged a low 1.4 percent while economic growth, as measured by real gross domestic product (GDP), has averaged 4.3 percent. The U.S. economy enters the year 2000 with a strong momentum behind it. Consumer spending expanded at a rapid clip for most of 1999, fueled by solid income gains, increased borrowing, and a high level of consumer confidence that is supported by low unemployment. Recent data show consumers are willing and able to continue to borrow and spend. Continued consumer spending leads to the need for additional workers and strong growth for employment. Consequently, the unemployment rate has been driven to record lows. This continued strong showing by the economy is causing the Federal Reserve to shift to a much more restrictive monetary policy. A more restrictive monetary policy with its higher interest rates can be expected to cool off the stock market and curb new consumer borrowings.

### Forecast Outlook

The U.S. economy for the balance of the 1999-2000 fiscal year is expected to continue to experience the strong growth, low inflation and low unemployment rates that have marked 1999.

Chart 1  
**REAL GROSS DOMESTIC PRODUCT**  
Annual Growth



Productivity gains supported by investment in information technology will continue to allow the economy to expand at rates above 3 percent without causing a further tightening of the labor markets and a jump in inflation. Gains in real GDP above the 3 percent level for calendar year 2000, while representing a continuing strong economy, will represent slower growth than has been experienced since 1996. Chart 1 displays the actual and forecast annual growth rate for real GDP for the years 1996 through 2001.

## Baseline Forecast

The WEFA baseline forecast is characterized by assumptions that the recent trend of consumption and investment gains will remain strong, but will be below the levels achieved in 1999. The 5.1 percent rise in real consumer consumption expenditures and the 9 percent increase in nonresidential fixed investment in 1999 is viewed as unsustainable for 2000. Housing activity was slipping in the latter part of 1999, likely in response to rising mortgage rates, and is expected to see only small increases. Together, these trends bring the growth of the economy down to a comfortable rate of expansion. Table 1 presents actual and WEFA forecast data for several national economic indicators.

Table 1  
US Economic Indicators  
Annual Growth

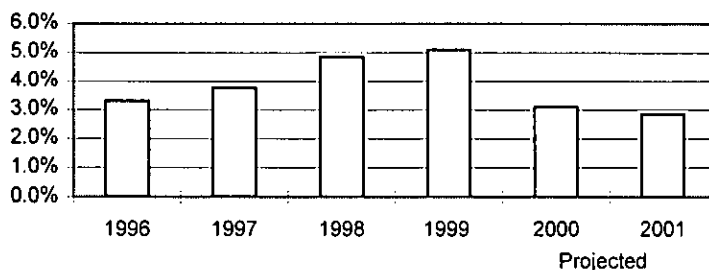
Indicator	1998	1999p	2000p	2001p
Nominal GDP	5.5	5.2	4.3	5.0
Real GDP	4.3	3.8	3.0	3.5
Real Personal Consumption	4.9	5.1	3.1	2.8
Corporate Profits (After Tax)	-2.9	1.3	-3.7	0
Unemployment Rate (Rate)	4.5	4.2	4.4	4.3
CPI	1.6	2.1	2.5	2.5
Federal Funds (Rate)	5.3	5.0	5.3	5.5

p=projected

An expectation for continued low rates of unemployment give rise to a belief that upward pressure on wages will occur in 2000. However, an expectation for further productivity increases prevents the higher wage levels from turning into broad price increases. Somewhat higher inflation is anticipated, but is due mainly to energy price increases. The consumer price index in 2000 is anticipated to rise 2.5 percent compared to 2.1 percent in 1999. Rising wages and higher interest rates are expected to cause after-tax corporate profits to decline in the first half of 2000. Small decreases in aggregate profits were evident in late 1999. The WEFA forecast projects somewhat larger declines in the first half of 2000 and then a return to rising profits. The pressure on corporate profits in early 2000 should result in a slowdown of employe hiring. The expected hiring slowdown

will hopefully relieve pressure in the labor market and prevent a further run-up in wage levels. Slower employment gains combined with reduced capital gains income may cause consumers to trim their pace of spending and borrowing. Chart 2 displays the actual and forecast annual rate of change for consumer consumption expenditures (adjusted for inflation). Consumer spending is one of the key items in an economic forecast.

Chart 2  
**PERSONAL CONSUMPTION EXPENDITURES**  
Annual Average Growth

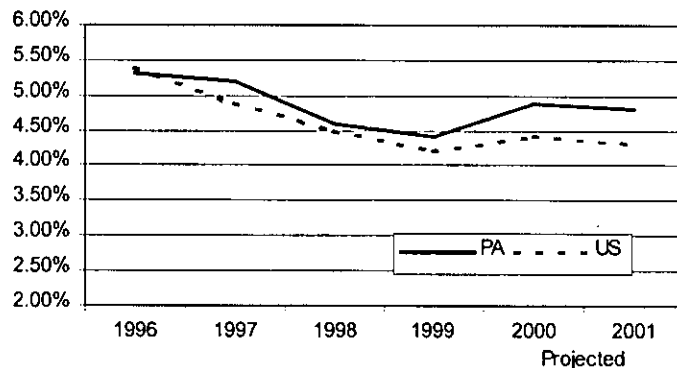


## Pennsylvania Outlook

Jobs in Pennsylvania are growing leading to new record highs in the number of non-farm jobs in the State. The job increases have been largely from increases in the service sector of the economy. The manufacturing sector has experienced stable job counts or small decreases. Some high technology industries such as chemicals and plastics have recorded employment increases. Expansion of high-tech manufacturing industries in Pennsylvania are expected to contribute significantly to employment growth in the coming years. Although these high-tech industries and new employers will provide new employment opportunities in Pennsylvania, manufacturing employment within the State will not be growing. Industries such as primary metals, industrial machinery, electronic equipment and apparel that supply many jobs to Pennsylvanians, are facing intense import competition in the face of weaker global demand. The result will be very little job expansion in these industries.

The short-term outlook for Pennsylvania's economy remains heavily dependent on trends in the national economy. Economic growth in Pennsylvania has a high correlation with that of the U.S. economy. It is estimated that 96 percent of Pennsylvania's employment growth is associated with U.S. employment changes.

**Chart 3**  
**PA AND US UNEMPLOYMENT RATE**

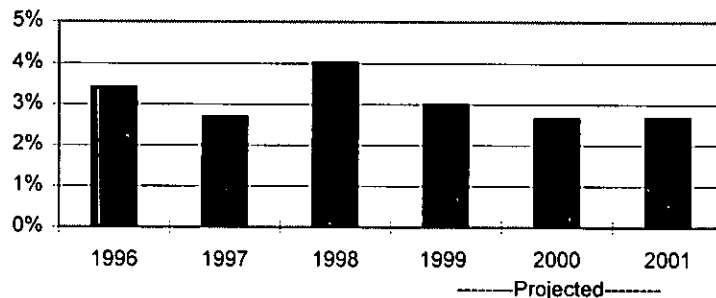


Historically, Pennsylvania has had above-average business costs. When compared to its competitors for business and jobs, Pennsylvania is shown to present a higher level of costs to business than many competitor states, especially for energy costs. The deregulation of the electric generation industry in Pennsylvania is intended to increase competition in this industry and gain economies of scale from some consolidation in the industry. The result is expected to be lower energy rates that, together with recent State

business tax cuts, bring Pennsylvania's business costs close to average. An improved competitive position for new and retained jobs will be created by these efforts.

Despite the difficulties in its heavy industry and its competitive position, Pennsylvania has been able to maintain a jobless rate on par with that of the nation. Chart 3 displays actual and forecast unemployment rates for Pennsylvania and the U.S. through 2001. Both are projections based on the baseline forecast by WEFA. While the near-term outlook for Pennsylvania and the U.S. is for continued, though slower, economic growth, this data shows that such slowing will cause the unemployment rate to be just below the rate unemployment in 1997. The effect of the slowing economy forecast for the nation and the State is also shown in changes in personal income. Chart 4 plots actual and forecasted personal income annual growth for Pennsylvania the years 1996 through 2001.

**Chart 4**  
**PA REAL PERSONAL INCOME**  
Annual Percent Growth



## SUMMARY OF MAJOR OPERATING FUNDS

The total 2000-01 operating budget for the Commonwealth is \$40.2 billion. It includes \$19.7 billion in the General Fund, \$2 billion in the Motor License Fund, \$11.8 billion in Federal funds and \$6.7 billion in fees and other special funds revenues.

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

### General Fund

#### Revenue

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

Tax revenue in the General Fund constitutes over 97 percent of annual General Fund revenue. Three taxes account for the majority of General Fund tax revenue. The corporate net income, the sales and use, and the personal income taxes together provide approximately 80 percent of annual General Fund revenue. For non-tax revenue, the largest single source is interest earnings. Another important source of non-tax revenue is statutory transfers of amounts from special funds of the Commonwealth. The largest of these is the transfer of excess profits from the State (Liquor) Stores Fund.

For the five fiscal years ending with 1998-99, total General Fund revenue grew by 18.5 percent, an annual rate of 4.3 percent. The rate of growth for revenue during the period understated the growth in the tax base due to the enactment of several tax rate and tax base changes that reduced receipts. The fastest growing major tax revenue sources during this period were the realty transfer tax, the inheritance tax, the personal income tax and capital stock and franchise tax. Revenue from several tax sources declined over the period. Receipts from the public utility realty tax, the corporate net income and the cigarette tax fell. The decline of public utility realty tax receipts was a consequence of the beginning of competition in the electric generating industry. Non-tax revenue sources during this period increased by over 15.7 percent, slightly smaller than the 18.6 percent increase in tax revenue. Miscellaneous receipts, led by interest earnings on General Fund investments, rose 27.1 percent during the period. Generally, larger available cash balances due to improved financial performance were responsible for the increase in interest earnings.

Receipts from the personal income tax in recent fiscal years have been helped by a growing Pennsylvania economy. Personal income tax collections over the past three completed fiscal years have averaged 7.9 percent annual growth and have exceeded each year's estimate. The unanticipated strength of receipts from the personal income tax continues in the current fiscal year. Current fiscal year estimates have been increased \$110.0 million, raising the anticipated growth rate for the fiscal year to 4.7 percent from a 3.0 percent growth projected at the time of the adoption of the budget. For 2000-01 the personal income tax growth is anticipated to rise 4.7 percent. Estimates for the personal income tax are developed from a regression equation that uses forecasts of national wages, salaries, interest, dividends and rents.

The sales and use tax is levied on property and services used by consumers and by businesses. Recently, annual growth rates for this tax have varied significantly from a low of 1.9 percent in 1997-98 to 7.9 percent in 1994-95. A large category of taxable property is motor vehicles. The growth rate for the motor vehicle component of the tax varied over an even larger range that included a 0.6 percent decline in 1995-96. Economic patterns for consumer purchases are a significant determinant of sales and use tax receipts. For 1999-00 to date, sales and use tax receipts have been above estimate. Sales tax receipts from both motor vehicle and non-motor vehicle transactions have exceeded their estimates. Accordingly, the estimate for non-motor vehicle sales tax receipts has been raised from 3.5 percent growth to 4.9 percent and the growth



rate for the motor vehicle portion has been raised from 0.2 percent to 10.9 percent growth. Total sales and use tax receipts growth for 1999-00 is now estimated to be 5.7 percent. For 2000-01, the expectation for smaller gains in consumption spending is estimated to produce a growth rate of 3.9 percent. Estimates for the sales and use tax are developed from a regression equation that use forecasts of national consumer expenditures on durable goods, national consumption on new and used motor vehicles and the Pennsylvania unemployment rate.

The largest single General Fund tax on business is the corporate net income tax. The robust gains in corporate profits during the middle portion of the 1990's allowed 1998-99 receipts from the corporate net income tax to exceed receipts in 1992-93 despite enacted reductions for in the tax rate from 12.25 percent in 1993 to the current rate of 9.99 percent. Annual receipts from the corporate net income tax can vary significantly from year-to-year and may experience a year-over-year decline. This variability is due to variations in corporate profitability, including losses, the availability and use of tax credits and net operating loss deductions, and the timing of estimated and final State tax payments based on when a corporation's tax year begins. Receipts for 1999-00 are projected to increase by 0.9 percent over receipts in the prior fiscal year. Current fiscal year-to-date receipts are above the official estimate by almost 10 percent. The estimate for 1999-00 has been raised by \$150 million. Receipts for 2000-01 are estimated to increase by 3.0 percent. Expected softness in corporate profits is anticipated to reduce receipts from the tax. Estimates for the corporate net income tax are developed from a regression equation that uses forecasts of national before-tax corporate profits.

The Governor's proposed 2000-01 budget includes tax reductions and a tax rebate totaling \$643.5 million for the fiscal year. The components of the proposed tax changes and the tax rebate proposal are:

- **Homestead Property Tax Rebate** - A rebate of school property taxes paid for a school district's 1999-00 fiscal year on an owner-occupied dwelling and land will be made to the resident owner. The rebate will be 100 percent of the school district property tax paid, up to \$100. The estimated cost of the proposed tax rebate is \$330.0 million payable in 2000-01.
- **Eliminate the Capital Stock and Franchise Tax** - The tax will be phased out through an initial 2 mill reduction to the tax rate and a 1 mill reduction of the tax rate each year thereafter until the tax is eliminated. The current total tax rate is 10.99 mills. The 0.25 mill portion of the tax dedicated to the Hazardous Sites Cleanup Fund will be eliminated with the last mill of the tax rate. The rate reductions will begin with taxable years beginning in 2000. The estimated 2000-01 cost is \$256.1 million.
- **Eliminate the Capital Stock and Franchise Tax Minimum** - The current \$200 required minimum tax payment will be eliminated effective for tax years beginning in 2000. The estimated 2000-01 cost is \$32.9 million.
- **Expansion of Tax Forgiveness** - The eligibility income limit for each dependent to qualify for full tax forgiveness under the special tax provisions is proposed to be increased from \$6,500 to \$7,500, effective January 1, 2000. A qualifying family of four with two claimants and two dependents will owe no tax on taxable income up to \$28,000. The estimated 2000-01 cost is \$16.2 million.
- **Personal Computer Sales Tax Holiday** - Qualifying purchases of personal computers and connected equipment by individuals for non-business use will be exempt from the sales and use tax if purchased during the designated time periods. The estimated 2000-01 cost is \$8.3 million.

## Expenditures

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

The total General Fund budget proposed for 2000-01 is \$19.7 billion, an increase of \$399 million or 2.1 percent. Major program expenditures occur in the area of State correctional institutions, economic development, education, and public health and welfare.

**State Correctional Institutions:** The 2000-01 budget recommends \$1.2 billion, a 3.6 percent increase for the State correctional institutions. This area has shown a constant upward trend in cost in recent years. From 1994-95 to 2000-01, total costs have grown from \$721 million to \$1.2 billion, an increase of 63 percent. This is due to the continuing rise in inmate population in the State correctional institutions which has grown from 28,302 inmates in 1994-95 to an estimated 38,814 inmates in 2000-01, an increase of 10,512 or 37 percent in six years.

**Basic Education:** The financial responsibility for public education in Pennsylvania is shared by the Commonwealth and 501 local school districts. Funds provided by the Commonwealth supplement the funds raised locally. State aid to local school districts is provided through various school subsidy payments for basic instruction, vocational education, debt service, pupil transportation, employe retirement programs including social security and various special education programs.

The largest such subsidy is the Basic Education Funding subsidy, which provided 59 percent of all Commonwealth aid to local schools in 1999-00. The Governor's 2000-01 Executive Budget proposes almost \$3.8 billion for Basic Education Funding. This is an increase of \$110.3 million or 3 percent.

The proposed budget for 2000-01, detailed in the Department of Education presentation in Section E, includes nearly \$6.1 billion in direct support of public schools, an increase of 4.2 percent.

**Higher Education:** Higher education in Pennsylvania is provided through 225 degree-granting institutions which include the fourteen universities of the State System of Higher Education (SSHE), four State-related universities, community colleges and various other independent institutions. In 1999-00, over \$1.7 billion is appropriated for higher education. The recommended budget for 2000-01 proposes over \$1.8 billion for higher education, an increase of \$76 million or 4.4 percent which includes \$16.5 million for the second year of the new SciTech and GI Bill Scholarships Grant Programs.

**Public Health and Welfare.** The Commonwealth provides temporary support for its residents who are seeking to achieve and sustain independence. It also provides care, treatment and rehabilitation to persons with mental and physical disabilities and supports programs to prevent or reduce social, mental and physical disease and disabilities. For 1999-00, the total public health and human services expenditures from all sources is \$16.1 billion. For 2000-01, \$17.2 billion has been proposed for these programs, an increase of 6.5 percent. In 2000-01, the amount from the General Fund will be \$6.9 billion which is an increase of \$318 million or 4.8 percent.

The Medical Assistance Program is the largest component of the public health and welfare expenditures. It continues to grow but at a slower rate. This reduction is a result of the implementation of policies and initiatives during this Administration designed to restrain costs and limit eligibility. Expenditures increased during the period from 1988-89 through 1998-99 by an annual average rate of 21.9 percent. The rate of growth from 1994-95 to 2000-01 is only 7.7 percent. The 1999-00 General Fund amount available is \$3.08 billion and the 2000-01 budget proposes appropriations totaling \$3.33 billion, an increase of 8.2 percent. The increase for 2000-01 reflects normal inflationary increases for the fee-for-service programs and long-term nursing home care. The managed care appropriation reflects the higher rate increases experienced in the health care market.



Income maintenance, including cash assistance payments to families in transition to independence and self-sufficiency totaled \$1.98 billion from all sources for 1999-00. The 2000-01 budget proposes a total budget of \$1.90 billion. The Commonwealth's General Fund appropriation is reduced from \$849 million to \$824 million. The budget provides a total of \$442 million for child care services. This represents an increase of 125 percent since 1994-95. The waiting list for service for low-income families has been eliminated and the number of children served from low-income families increased by 158 percent.

The 2000-01 budget continues the policy of supporting independence for people with mental retardation and mental health disabilities. In June 1994, the State supported 10,223 institutional beds. By June 2000, that will be reduced to 6,459, a reduction of 36.8 percent. Over that period, the community budgets will have grown by \$422 million in total funds, an increase of 44.1 percent.

These General Fund revenue and expenditure decisions emphasize Governor Ridge's ongoing commitment to policies and programs that support public security, improved education, strengthening the family, increased individual self-sufficiency and economic development.

## Motor License Fund

The Motor License Fund is one of the special revenue funds of the Commonwealth and a major operating fund of the Commonwealth. It is the fund that receives most of the revenues required by the Commonwealth's Constitution to be used only for costs of construction, reconstruction, maintenance and repair of and safety on highways and bridges in the Commonwealth and for the payment of debt service on obligations incurred for such purposes. The major sources of revenue to the Motor License Fund are from motor fuels taxes, vehicle registration fees, license taxes, operators' license fees and other excise taxes imposed on products used in motor transportation. Certain of these revenues are further restricted to specific highway uses and are not included in the Motor License Fund estimate of revenue.

Liquid fuels taxes provide approximately 54 percent of total Motor License Fund revenues in 1999-00. Revenue from liquid fuels taxes has increased only slightly over the past three fiscal years. For the three-year period ending with 1998-99, liquid fuels tax revenues increased by 2.3 percent. The budget for 2000-01 projects a 0.1 percent increase.

Licenses and fee revenues represent the other major source of revenues for the Motor License Fund. Annual growth of receipts from these sources is small. For the three-year period ending with 1998-99, license and fee revenues increased by 45.4 percent. This large increase is due to increased registration fees for various vehicles effective in 1997 and 1998. For 2000-01 a 0.4 percent increase is projected.

For the third year in a row, the budget for 2000-01 recommends over a billion dollars for highway maintenance. More importantly, revenue enhancements have permitted a shift in highway maintenance from the least costly and least effective "oil and chip" patch repairs to more substantial and desirable resurfacing and reconstruction methods. At the same time, the additional revenues have allowed more miles of roads to be repaired and safety enhancements to be made in all of the Commonwealth's counties.

In addition to the above, improvements continue to be made in customer services at the Department of Transportation. The issuing of licenses and registrations continues to be decentralized, making it easier for the citizens of the Commonwealth to use these services. In addition, the time needed to issue licenses and registrations has been reduced.

Looking to the future, the department is researching highway systems technology in such areas as intelligent transportation systems, advanced maintenance technologies, and high performance pavement markings. In addition, the department will provide quality services that are user friendly and customer focused, and will remain responsive and accountable to the citizens of the Commonwealth.

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



## Environmental Stewardship Fund

The Environmental Stewardship Fund is a special fund of the Commonwealth, created in December 1999 by Act 68 of 1999, the Environmental Stewardship and Watershed Protection Act. This is the primary source of funding for the broad "Growing Greener" initiative that will address environmental issues such as farmland preservation, open space protection, maintenance in State parks, abandoned mine reclamation, watershed protection and restoration, recreational trails, local parks, land use planning, and local drinking water and sewer systems.

This fund is composed of monies received from the General Fund, the Hazardous Sites Cleanup Fund and the Recycling Fund, plus landfill fees and interest earnings. In 1999-00, this fund will receive \$53.4 million from the General Fund. It is the intent of Act 68 that this fund receive an annual appropriation of \$100 million from the General Fund for the next four fiscal years. In addition, the intent of Act 68 is that the fund receive a combined maximum total of \$30 million annually for five fiscal years, beginning in 1999-00, from the Hazardous Sites Cleanup Fund and the Recycling Fund. The fund also receives revenue from a 25 cent per ton, or 25 cent per three cubic yards, fee for all solid waste received at a landfill in the Commonwealth. Act 68 continues this fee until 2004.

The Commonwealth agencies involved with the "Growing Greener" programs are the Department of Conservation and Natural Resources, the Department of Environmental Protection, the Department of Agriculture, and the Infrastructure Investment Authority. Implementation of all programs is beginning in 1999-00. For additional details, please see the Environmental Stewardship Fund in Section C and the Program Revision—Vision for the 21<sup>st</sup> Century Environment following the Environmental Protection and Management program in the Department of Environmental Protection in Section E.

## Lottery Fund

The Lottery Fund is a special revenue fund that receives the proceeds of lottery sales. It provides funding for lottery prizes and for programs supporting older Pennsylvanians. These programs include property tax and rent assistance, community care programs, mass transit fare subsidies, and partial rebate of the costs of pharmaceuticals.

The Pennsylvania State Lottery has reached a state of maturity where significant growth in sales cannot be expected. Participation in the online games has been decreasing. Only when there are unusually large jackpots of several million dollars in the online games do ticket sales spurt higher. This decrease is partially offset by the increased sales of popular Instant Game tickets, where games are changed often. To counter the trend of slipping revenues, aggressive marketing will be continued and game strategies will be adjusted with the goal of maintaining and eventually increasing the level of ticket sales.

The total costs of programs funded through the Lottery Fund continue to increase, a total of 29.67 percent compared to 1994-95. The largest program in the Lottery Fund is the Pharmaceutical Assistance Contract for the Elderly (PACE) Program. This program provides pharmaceutical benefits to qualified older Pennsylvanians who face a growing burden from the cost of drugs required to maintain healthy productive lives. For 2000-01, \$290 million is provided to afford pharmaceutical assistance to 227,600 older Pennsylvanians. This is a \$73 million (33.6 percent) increase compared to 1994-95. The second largest program in the Lottery Fund is the PENNCARE appropriation that provides in-home and community-based services to older Pennsylvanians to enrich their lives and enable them to delay or avoid institutionalization. For 2000-01, \$192.6 million is provided for the PENNCARE Program. This is a \$34.5 million (21.9 percent) increase compared to 1994-95. Combined, these programs account for approximately 64 percent of total Lottery Fund program expenditures. There are two primary factors in the rising costs of programs: the increasing number of eligible older Pennsylvanians; and the rapidly rising costs and utilization of pharmaceuticals. There is a continual search for ways to control costs.





## Tobacco Settlement Fund

On December 17, 1999, Pennsylvania finalized its contractual agreement with the five major tobacco companies under a Master Settlement Agreement (MSA). The MSA provides a perpetual reimbursement to states for the costs incurred as a result of tobacco use. Pennsylvania's share of the MSA funds for the first 25 years of the agreement is in excess of \$11 billion, with annual payments ranging between \$397 million and \$459 million from 1999 to 2025.

The Tobacco Settlement Fund is the proposed special revenue fund that will receive the proceeds from the MSA for the Commonwealth. Pending legislative approval, it will provide funding for proposed programs such as health care insurance for the uninsured, home and community-based care, tobacco use prevention, cessation, broad-based health research, venture capital, and uncompensated care.

The fund will also maintain a proposed endowment component to preserve a portion of the receipts to ensure funds for future generations, sustain critical programs if tobacco allocations decrease, and provide ongoing revenue if tobacco allocations end. The initial payment from the MSA will be deposited into this endowment. Similarly, five percent of the annual payment from the MSA will be deposited here.

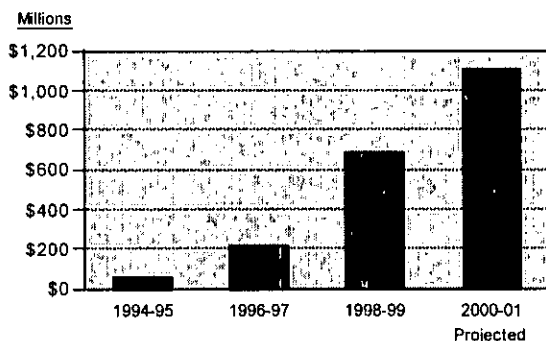
For more information on the Master Settlement Agreement and the Governor's proposed program, see the separate presentation on page A49 in this section entitled Health Investment Plan.

## Rainy Day Fund

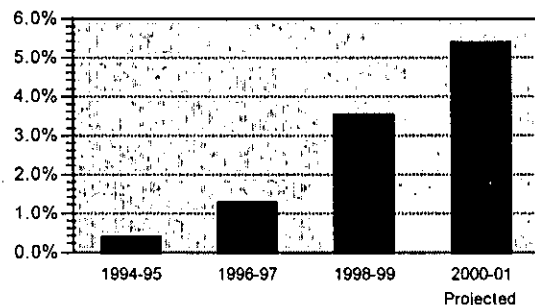
The Tax Stabilization Reserve Fund, commonly referred to as the Rainy Day Fund, was created in Act 32 of 1985 to promote greater continuity and predictability in the funding of vital government services. It also minimizes the need to increase taxes to balance the Commonwealth's budget during periods of economic distress. Revenue is provided through an annual transfer of 15 percent of the General Fund's fiscal year ending surplus and occasional nonrecurring transfers from the General Fund surplus and other funds as approved by the General Assembly. Appropriations out of the fund require approval by two-thirds of the members of the General Assembly. Act 10 of 1996 increased the amount of the General Fund year-end surplus to be transferred to the Rainy Day Fund from 10 percent to 15 percent. An additional \$150 million transfer, above the 15 percent, was appropriated from the 1998-99 General Fund surplus and transferred during 1999-00 to the Rainy Day Fund.

The Rainy Day Fund balance is expected to exceed \$1.1 billion once the 2000-01 transfer is completed. The Rainy Day Fund balance will then represent nearly 5.5 percent of General Fund revenues.

**Rainy Day Fund  
Ending Cash Balance**



**Rainy Day Fund Balance as Percentage  
of General Fund Revenue**



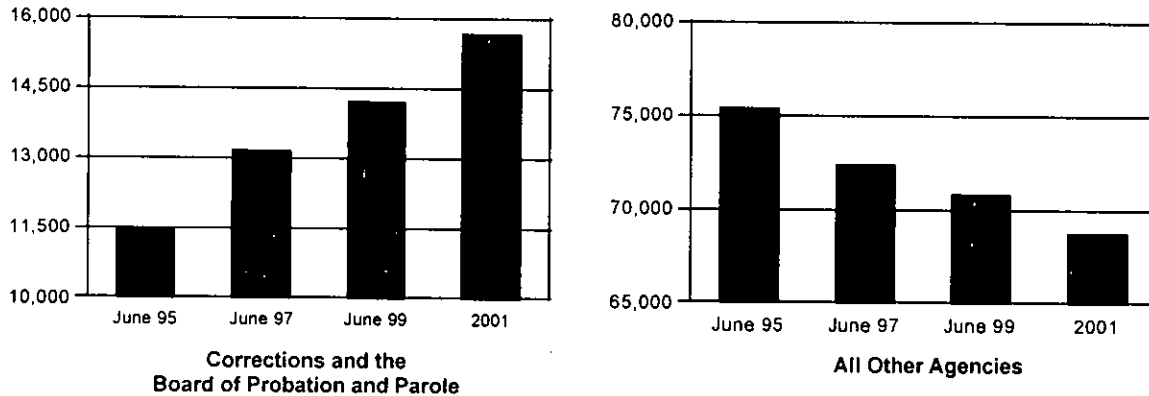
During this Administration, the balance in the Rainy Day Fund has increased seventeen-fold and now exceeds the three percent of General Fund revenues goal established in the original legislation in 1985. It also exceeds the five percent reserve that the bond rating agencies have

## Complement

A major component of any budget is the size of its workforce or complement. In Pennsylvania, a complement level (the number of full-time equivalent (FTE) salaried positions) is authorized by appropriation for each agency under the Governor's jurisdiction. A major objective of this Administration has been to maximize the use of current complement levels and, where possible, to reduce the number of positions through improved efficiency and the use of technology, such as computers.

Pennsylvania has been very successful in achieving this goal. The total authorized FTE salaried complement has been declining since the Administration took office from 86,854 in January 1995 to a proposed level of 84,422 by June 30, 2001, a decrease of 2,432 positions.

### Authorized Salaried Complement



*This budget proposes a net reduction of 979 positions in the total salaried complement even after providing additional positions necessary for the Board of Probation & Parole and the State correctional institutions.*

This overall decline in FTE salaried complement has been achieved during a period of significant growth in staff for the Board of Probation and Parole and the State correctional institutions. From January 1995 to June 2001, it is anticipated that the FTE salaried complement for the Board of Probation and Parole will grow from 666 to 969, an increase of 303, or 45 percent, while the State correctional institutions will grow from 10,768 to 14,690, an increase of 3,922 or 36 percent. This is the result, in part, of the Governor's priority to strengthen law enforcement activities and increase public safety.



---

# STATEMENTS

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

## Seven Year Financial Statements By Fund

The following financial statements are a summary of the General Fund and selected Special Fund revenues and expenditures for the 1998-99 actual year, 1999-00 available year, 2000-01 budget year and future year estimates. Additional information on revenues and expenditures is detailed in subsequent tables and in Section C of this budget.

### General Fund

(Dollar Amounts in Thousands)

	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
Beginning Balance <sup>a</sup> .....	\$ 265,312	\$ 447,536	\$ 443,879	.....	.....	.....	.....
Revenues.....	\$ 19,226,655	\$ 19,838,700	\$ 20,597,700	\$ 21,456,200	\$ 22,271,900	\$ 23,136,700	\$ 24,075,030
Adjustments <sup>b</sup> .....	-525,644	-585,000	-1,343,500	-1,081,400	-1,241,500	-1,409,100	-1,579,300
Funds Available.....	\$ 18,966,323	\$ 19,701,236	\$ 19,698,079	\$ 20,374,800	\$ 21,030,400	\$ 21,727,600	\$ 22,495,730
Expenditures.....	-18,263,339	-19,179,025	-19,678,087	-20,372,661	-20,822,090	-21,221,217	-21,542,345
Closing Balance.....	\$ 702,984	\$ 522,211	\$ 19,992	\$ 2,139	\$ 208,310	\$ 506,383	\$ 953,385
Less Transfer to Tax Stabilization							
Reserve Fund.....	-255,448	-78,332	-2,999	-321	-31,247	-75,957	-143,008
Ending Balance <sup>a</sup> .....	\$ <u>447,536</u>	\$ <u>443,879</u>	\$ <u>16,993</u>	\$ <u>1,818</u>	\$ <u>177,063</u>	\$ <u>430,426</u>	\$ <u>810,377</u>

<sup>a</sup>Ending balance not carried forward after 2000-01.

<sup>b</sup>Includes net revenue accruals, refunds, lapses and adjustments to beginning balances.



## Seven Year Financial Statements By Fund

### Motor License Fund<sup>a</sup>

	(Dollar Amounts in Thousands)						
	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Beginning Balance.....	\$ 108,477	\$ 89,454	\$ 69,090	\$ 3,653	\$ 4,701	\$ 3,692	\$ 5,857
Receipts.....	1,918,857	1,941,120	1,929,560	1,941,560	1,957,560	1,975,530	1,990,090
Funds Available.....	\$ 2,027,334	\$ 2,030,574	\$ 1,998,650	\$ 1,945,213	\$ 1,962,261	\$ 1,979,222	\$ 1,995,947
Less Expenditures.....	-1,937,880	-1,961,484	-1,994,997	-1,940,512	-1,958,569	-1,973,365	-1,992,058
Ending Balance.....	<u>\$ 89,454</u>	<u>\$ 69,090</u>	<u>\$ 3,653</u>	<u>\$ 4,701</u>	<u>\$ 3,692</u>	<u>\$ 5,857</u>	<u>\$ 3,889</u>

### Banking Department Fund

	(Dollar Amounts in Thousands)						
	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05
Beginning Balance.....	\$ 8,573	\$ 11,466	\$ 13,537	\$ 16,234	\$ 19,065	\$ 22,048	\$ 25,129
Receipts.....	12,441	12,330	12,735	12,968	13,323	13,628	13,975
Funds Available.....	\$ 21,014	\$ 23,796	\$ 26,272	\$ 29,202	\$ 32,388	\$ 35,676	\$ 39,104
Less Expenditures.....	-9,548	-10,259	-10,038	-10,137	-10,340	-10,547	-10,758
Ending Balance.....	<u>\$ 11,466</u>	<u>\$ 13,537</u>	<u>\$ 16,234</u>	<u>\$ 19,065</u>	<u>\$ 22,048</u>	<u>\$ 25,129</u>	<u>\$ 28,346</u>

### Boat Fund

	(Dollar Amounts in Thousands)						
	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05
Beginning Balance.....	\$ 7,531	\$ 7,993	\$ 7,305	\$ 6,532	\$ 5,624	\$ 4,609	\$ 3,482
Receipts.....	11,377	10,028	9,795	9,828	9,891	9,953	9,979
Funds Available.....	\$ 18,908	\$ 18,021	\$ 17,100	\$ 16,360	\$ 15,515	\$ 14,562	\$ 13,461
Less Expenditures.....	-10,915	-10,716	-10,568	-10,736	-10,906	-11,080	-11,257
Ending Balance.....	<u>\$ 7,993</u>	<u>\$ 7,305</u>	<u>\$ 6,532</u>	<u>\$ 5,624</u>	<u>\$ 4,609</u>	<u>\$ 3,482</u>	<u>\$ 2,204</u>

<sup>a</sup> Excludes restricted revenue.



## Seven Year Financial Statements By Fund

### Environmental Stewardship Fund<sup>a</sup>

(Dollar Amounts in Thousands)

	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Beginning Balance.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Receipts.....	0	85,969	135,149	135,149	135,149	135,149	0
Funds Available.....	\$ 0	\$ 85,969	\$ 135,149	\$ 135,149	\$ 135,149	\$ 135,149	\$ 0
Less Expenditures.....	0	-85,969	-135,149	-135,149	-135,149	-135,149	0
Ending Balance.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

### Farm Products Show Fund

(Dollar Amounts in Thousands)

	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Beginning Balance.....	\$ 764	\$ 2,579	\$ 1,967	\$ 782	\$ 555	\$ 408	\$ 342
Receipts.....	6,882	4,660	4,700	4,778	4,858	4,939	5,021
Funds Available.....	\$ 7,646	\$ 7,239	\$ 6,667	\$ 5,560	\$ 5,413	\$ 5,347	\$ 5,363
Less Expenditures.....	-5,067	-5,272	-5,885	-5,005	-5,005	-5,005	-5,005
Ending Balance.....	<u>\$ 2,579</u>	<u>\$ 1,967</u>	<u>\$ 782</u>	<u>\$ 555</u>	<u>\$ 408</u>	<u>\$ 342</u>	<u>\$ 358</u>

### Fish Fund

(Dollar Amounts in Thousands)

	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Beginning Balance.....	\$ 13,651	\$ 13,632	\$ 12,718	\$ 8,865	\$ 4,561	\$ 82	\$ -4,639
Receipts.....	41,767	40,750	40,151	40,152	40,689	41,173	41,521
Funds Available.....	\$ 55,418	\$ 54,382	\$ 52,869	\$ 49,017	\$ 45,250	\$ 41,255	\$ 36,882
Less Expenditures.....	-41,786	-41,664	-44,004	-44,456	-45,168	-45,894	-46,631
Ending Balance.....	<u>\$ 13,632</u>	<u>\$ 12,718</u>	<u>\$ 8,865</u>	<u>\$ 4,561</u>	<u>\$ 82</u>	<u>\$ -4,639</u>	<u>\$ -9,749</u>

<sup>a</sup> Excludes restricted revenue.

## Seven Year Financial Statements By Fund

### Game Fund

	(Dollar Amounts in Thousands)						
	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Beginning Balance.....	\$ 22,832	\$ 20,307	\$ 16,948	\$ 16,205	\$ 15,038	\$ 12,377	\$ 8,702
Receipts.....	53,050	55,188	56,019	56,319	55,819	55,819	55,819
Funds Available.....	\$ 75,882	\$ 75,495	\$ 72,967	\$ 72,524	\$ 70,857	\$ 68,196	\$ 64,521
Less Expenditures.....	-55,575	-58,547	-56,762	-57,486	-58,480	-59,494	-60,528
Ending Balance.....	<u>\$ 20,307</u>	<u>\$ 16,948</u>	<u>\$ 16,205</u>	<u>\$ 15,038</u>	<u>\$ 12,377</u>	<u>\$ 8,702</u>	<u>\$ 3,993</u>

### Keystone Recreation, Park and Conservation Fund

	(Dollar Amounts in Thousands)						
	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Beginning Balance.....	\$ 69,584	\$ 72,011	\$ 47,325	\$ 48,140	\$ 52,236	\$ 56,323	\$ 60,942
Receipts.....	70,888	79,249	51,825	56,560	61,285	66,625	72,389
Funds Available.....	\$ 140,472	\$ 151,260	\$ 99,150	\$ 104,700	\$ 113,521	\$ 122,948	\$ 133,331
Less Expenditures.....	-68,461	-103,935	-51,010	-52,464	-57,198	-62,006	-67,404
Ending Balance.....	<u>\$ 72,011</u>	<u>\$ 47,325</u>	<u>\$ 48,140</u>	<u>\$ 52,236</u>	<u>\$ 56,323</u>	<u>\$ 60,942</u>	<u>\$ 65,927</u>

### Lottery Fund

	(Dollar Amounts in Thousands)						
	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Beginning Balance.....	\$ 82,602	\$ 112,828	\$ 192,150	\$ 209,458	\$ 205,150	\$ 142,033	\$ 8,520
Add Reserve From Prior Year.....	190,000	190,000	190,000	160,000	100,000	50,000	25,000
Receipts.....	933,991	946,119	975,479	973,759	969,544	962,992	953,977
Funds Available.....	\$ 1,206,593	\$ 1,248,947	\$ 1,357,629	\$ 1,343,217	\$ 1,274,694	\$ 1,155,025	\$ 987,497
Less Expenditures.....	-903,765	-866,797	-988,171	-1,038,067	-1,082,661	-1,121,505	-1,166,594
Less Reserve for Current Year.....	-190,000	-190,000	-160,000	-100,000	-50,000	-25,000	0
Ending Balance.....	<u>\$ 112,828</u>	<u>\$ 192,150</u>	<u>\$ 209,458</u>	<u>\$ 205,150</u>	<u>\$ 142,033</u>	<u>\$ 8,520</u>	<u>\$ -179,097</u>



## Seven Year Financial Statements By Fund

### Milk Marketing Fund

(Dollar Amounts in Thousands)

	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
Beginning Balance.....	\$ 1,809	\$ 1,582	\$ 1,512	\$ 1,380	\$ 1,200	\$ 970	\$ 690
Receipts.....	2,417	2,300	2,300	2,300	2,300	2,300	2,300
Funds Available.....	\$ 4,226	\$ 3,882	\$ 3,812	\$ 3,680	\$ 3,500	\$ 3,270	\$ 2,990
Less Expenditures.....	-2,644	-2,370	-2,432	-2,480	-2,530	-2,580	-2,632
Ending Balance.....	<u>\$ 1,582</u>	<u>\$ 1,512</u>	<u>\$ 1,380</u>	<u>\$ 1,200</u>	<u>\$ 970</u>	<u>\$ 690</u>	<u>\$ 358</u>

### Racing Fund

(Dollar Amounts in Thousands)

	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
Beginning Balance.....	\$ 11,982	\$ 10,332	\$ 10,274	\$ 9,496	\$ 9,407	\$ 9,213	\$ 9,015
Adjustment to beginning balance..	0	-118	0	0	0	0	0
Adjusted Beginning Balance.....	\$ 11,982	\$ 10,214	\$ 10,274	\$ 9,496	\$ 9,407	\$ 9,213	\$ 9,015
Receipts.....	18,793	19,506	19,090	19,090	19,090	19,090	19,090
Funds Available.....	\$ 30,775	\$ 29,720	\$ 29,364	\$ 28,586	\$ 28,497	\$ 28,303	\$ 28,105
Less Expenditures.....	-20,443	-19,446	-19,868	-19,179	-19,284	-19,288	-19,292
Ending Balance.....	<u>\$ 10,332</u>	<u>\$ 10,274</u>	<u>\$ 9,496</u>	<u>\$ 9,407</u>	<u>\$ 9,213</u>	<u>\$ 9,015</u>	<u>\$ 8,813</u>

### Tobacco Settlement Fund

(Dollar Amounts in Thousands)

	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
Beginning Balance.....	\$ 0	\$ 0	\$ 310,086	\$ 334,770	\$ 403,586	\$ 407,578	\$ 358,099
Receipts.....	0	310,086	334,770	403,586	407,578	358,099	363,447
Funds Available.....	\$ 0	\$ 310,086	\$ 644,856	\$ 738,356	\$ 811,164	\$ 765,677	\$ 721,546
Less Expenditures.....	0	0	-310,086	-334,770	-403,586	-407,578	-358,099
Ending Balance.....	<u>\$ 0</u>	<u>\$ 310,086</u>	<u>\$ 334,770</u>	<u>\$ 403,586</u>	<u>\$ 407,578</u>	<u>\$ 358,099</u>	<u>\$ 363,447</u>



## Seven Year Department Summary by Fund

The following is a summary by department of 1998-99 actual expenditures, the 1999-00 amounts available, the 2000-01 amounts budgeted and future year estimates as presented in the 2000-01 Governor's Executive Budget for the General Fund and selected Special Funds.

	(Dollar Amounts in Thousands)						
	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>Governor's Office</b>							
General Fund.....	\$ 7,208	\$ 7,566	\$ 7,793	\$ 7,949	\$ 8,108	\$ 8,270	\$ 8,435
<b>Executive Offices</b>							
General Fund.....	\$ 146,099	\$ 184,987	\$ 276,940	\$ 237,072	\$ 239,440	\$ 241,655	\$ 244,335
Lottery Fund.....	133	0	0	0	0	0	0
Motor License Fund.....	4,093	4,272	4,998	5,110	5,212	5,316	5,422
<b>Department Total</b> .....	<b>\$ 150,325</b>	<b>\$ 189,259</b>	<b>\$ 281,938</b>	<b>\$ 242,182</b>	<b>\$ 244,652</b>	<b>\$ 246,971</b>	<b>\$ 249,757</b>
<b>Lieutenant Governor</b>							
General Fund.....	\$ 1,040	\$ 1,379	\$ 1,377	\$ 1,405	\$ 1,433	\$ 1,461	\$ 1,490
<b>Attorney General</b>							
General Fund.....	\$ 62,286	\$ 70,175	\$ 71,449	\$ 72,194	\$ 73,636	\$ 75,107	\$ 76,606
<b>Auditor General</b>							
General Fund.....	\$ 42,881	\$ 44,422	\$ 46,073	\$ 46,986	\$ 47,917	\$ 48,867	\$ 49,412
<b>Treasury</b>							
General Fund.....	\$ 788,494	\$ 666,751	\$ 461,853	\$ 799,667	\$ 843,337	\$ 862,591	\$ 871,031
Lottery Fund.....	3	100	100	100	100	100	100
Racing Fund.....	7	10	10	10	10	10	10
Motor License Fund.....	120,638	111,636	93,978	80,861	62,976	52,725	34,952
Game Fund.....	0	5	5	5	5	5	5
Fish Fund.....	0	5	5	5	5	5	5
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.....	0	5	5	5	5	5	5
Keystone Recreation, Park and Conservation Fund.....	2	0	0	0	0	0	0
<b>Department Total</b> .....	<b>\$ 909,144</b>	<b>\$ 778,532</b>	<b>\$ 555,976</b>	<b>\$ 880,673</b>	<b>\$ 906,458</b>	<b>\$ 915,461</b>	<b>\$ 906,128</b>
<b>Aging</b>							
General Fund.....	\$ 19,706	\$ 34,838	\$ 35,887	\$ 35,331	\$ 35,649	\$ 35,973	\$ 36,303
Lottery Fund.....	446,161	446,786	482,579	531,549	574,704	612,050	655,593
Tobacco Settlement Fund.....	0	0	14,688	15,858	19,117	25,742	22,617
<b>Department Total</b> .....	<b>\$ 465,867</b>	<b>\$ 481,624</b>	<b>\$ 533,154</b>	<b>\$ 582,738</b>	<b>\$ 629,470</b>	<b>\$ 673,765</b>	<b>\$ 714,513</b>
<b>Agriculture</b>							
General Fund.....	\$ 60,854	\$ 199,253	\$ 67,013	\$ 67,732	\$ 68,466	\$ 69,215	\$ 69,977
Racing Fund.....	20,227	19,220	19,636	18,943	19,043	19,042	19,041
Environmental Stewardship Fund.....	0	0	20,002	20,002	20,002	20,002	0
Farm Products Show Fund.....	4,267	4,467	5,080	4,200	4,200	4,200	4,200
<b>Department Total</b> .....	<b>\$ 85,348</b>	<b>\$ 222,940</b>	<b>\$ 111,731</b>	<b>\$ 110,877</b>	<b>\$ 111,711</b>	<b>\$ 112,459</b>	<b>\$ 93,218</b>
<b>Banking</b>							
Banking Department Fund.....	\$ 9,225	\$ 9,929	\$ 9,691	\$ 9,783	\$ 9,979	\$ 10,179	\$ 10,383
<b>Civil Service Commission</b>							
General Fund.....	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1



## Seven Year Department Summary by Fund

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
--	-------------------	----------------------	-------------------	----------------------	----------------------	----------------------	----------------------

### Community and Economic Development

General Fund.....	\$ 350,228	\$ 428,254	\$ 425,953	\$ 382,370	\$ 384,071	\$ 385,805	\$ 357,273
Tobacco Settlement Fund.....	0	0	16,320	17,619	21,241	0	0
<b>Department Total .....</b>	<b>\$ 350,228</b>	<b>\$ 428,254</b>	<b>\$ 442,273</b>	<b>\$ 399,989</b>	<b>\$ 405,312</b>	<b>\$ 385,805</b>	<b>\$ 357,273</b>

### Conservation and Natural Resources

General Fund.....	\$ 90,497	\$ 100,012	\$ 114,896	\$ 100,700	\$ 101,987	\$ 103,914	\$ 105,877
Environmental Stewardship Fund.....	0	24,415	32,571	32,571	32,571	32,571	0
Motor License Fund.....	966	1,000	1,000	1,000	1,000	1,000	1,000
Keystone Recreation, Park and Conservation Fund.....	49,693	79,182	33,074	33,687	36,764	39,836	43,307
<b>Department Total .....</b>	<b>\$ 141,156</b>	<b>\$ 204,609</b>	<b>\$ 181,541</b>	<b>\$ 167,958</b>	<b>\$ 172,322</b>	<b>\$ 177,321</b>	<b>\$ 150,184</b>

### Corrections

General Fund.....	\$ 1,041,612	\$ 1,134,770	\$ 1,175,884	\$ 1,214,780	\$ 1,270,494	\$ 1,308,748	\$ 1,339,454
-------------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------

### Education

General Fund.....	\$ 7,510,932	\$ 7,704,403	\$ 7,893,277	\$ 7,887,474	\$ 7,886,976	\$ 7,858,618	\$ 7,875,924
Motor License Fund.....	1,182	1,591	1,639	1,639	1,639	1,639	1,639
Keystone Recreation, Park and Conservation Fund.....	9,864	12,842	11,321	12,041	13,081	14,203	15,436
<b>Department Total .....</b>	<b>\$ 7,521,978</b>	<b>\$ 7,718,836</b>	<b>\$ 7,906,237</b>	<b>\$ 7,901,154</b>	<b>\$ 7,901,696</b>	<b>\$ 7,874,460</b>	<b>\$ 7,892,999</b>

### Emergency Management Agency

General Fund.....	\$ 28,844	\$ 20,867	\$ 26,001	\$ 9,071	\$ 9,247	\$ 9,431	\$ 9,614
-------------------	-----------	-----------	-----------	----------	----------	----------	----------

### Environmental Protection

General Fund.....	\$ 201,150	\$ 278,596	\$ 325,934	\$ 330,267	\$ 333,371	\$ 335,877	\$ 237,372
Environmental Stewardship Fund.....	0	37,569	50,546	50,546	50,546	50,546	0
Motor License Fund.....	4,000	4,000	4,000	4,000	4,000	4,000	4,000
<b>Department Total .....</b>	<b>\$ 205,150</b>	<b>\$ 320,165</b>	<b>\$ 380,480</b>	<b>\$ 384,813</b>	<b>\$ 387,917</b>	<b>\$ 390,423</b>	<b>\$ 241,372</b>

### Fish and Boat Commission

General Fund.....	\$ 808	\$ 10	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11
Fish Fund.....	25,096	24,522	27,342	27,620	28,158	28,707	29,267
Boat Fund.....	8,821	8,230	8,590	8,758	8,928	9,102	9,279
Keystone Recreation, Park and Conservation Fund.....	742	0	0	0	0	0	0
<b>Department Total .....</b>	<b>\$ 35,467</b>	<b>\$ 32,762</b>	<b>\$ 35,943</b>	<b>\$ 36,389</b>	<b>\$ 37,097</b>	<b>\$ 37,820</b>	<b>\$ 38,557</b>

### Game Commission

Game Fund.....	\$ 47,546	\$ 50,237	\$ 48,971	\$ 49,695	\$ 50,689	\$ 51,703	\$ 52,737
Keystone Recreation, Park and Conservation Fund.....	0	19	0	0	0	0	0
<b>Department Total .....</b>	<b>\$ 47,546</b>	<b>\$ 50,256</b>	<b>\$ 48,971</b>	<b>\$ 49,695</b>	<b>\$ 50,689</b>	<b>\$ 51,703</b>	<b>\$ 52,737</b>

### General Services

General Fund.....	\$ 97,461	\$ 101,788	\$ 105,848	\$ 107,720	\$ 108,834	\$ 110,782	\$ 113,189
Lottery Fund.....	196	0	0	0	0	0	0
Motor License Fund.....	20,264	20,252	20,245	20,250	20,255	20,260	20,265
Banking Department Fund.....	323	325	342	349	356	363	370
<b>Department Total .....</b>	<b>\$ 118,244</b>	<b>\$ 122,365</b>	<b>\$ 126,435</b>	<b>\$ 128,319</b>	<b>\$ 129,445</b>	<b>\$ 131,405</b>	<b>\$ 133,824</b>



## Seven Year Department Summary by Fund

	(Dollar Amounts in Thousands)						
	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>Health</b>							
General Fund.....	\$ 209,553	\$ 221,471	\$ 236,400	\$ 237,067	\$ 237,648	\$ 237,403	\$ 238,798
Tobacco Settlement Fund.....	0	0	81,602	88,097	106,207	107,257	94,236
Department Total .....	\$ 209,553	\$ 221,471	\$ 318,002	\$ 325,164	\$ 343,855	\$ 344,660	\$ 333,034
<b>Higher Education Assistance Agency</b>							
General Fund.....	\$ 314,666	\$ 353,218	\$ 384,781	\$ 401,977	\$ 418,511	\$ 418,511	\$ 418,511
<b>Historical and Museum Commission</b>							
General Fund.....	\$ 26,272	\$ 28,243	\$ 31,691	\$ 31,310	\$ 31,726	\$ 32,145	\$ 32,601
Keystone Recreation, Park and Conservation Fund.....	8,160	11,892	6,615	6,737	7,353	7,967	8,661
Department Total .....	\$ 34,432	\$ 40,135	\$ 38,306	\$ 38,047	\$ 39,079	\$ 40,112	\$ 41,262
<b>Infrastructure Investment Authority</b>							
General Fund.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Environmental Stewardship Fund.....	0	23,985	32,030	32,030	32,030	32,030	0
Department Total .....	\$ 0	\$ 23,985	\$ 32,030	\$ 32,030	\$ 32,030	\$ 32,030	\$ 0
<b>Insurance</b>							
General Fund.....	\$ 16,796	\$ 54,094	\$ 56,438	\$ 56,867	\$ 57,304	\$ 57,750	\$ 58,205
Tobacco Settlement Fund.....	0	0	105,755	114,174	137,644	139,006	122,131
Department Total .....	\$ 16,796	\$ 54,094	\$ 162,193	\$ 171,041	\$ 194,948	\$ 196,756	\$ 180,336
<b>Labor and Industry</b>							
General Fund.....	\$ 80,905	\$ 83,764	\$ 94,749	\$ 92,117	\$ 92,452	\$ 93,304	\$ 94,171
<b>Military and Veterans Affairs</b>							
General Fund.....	\$ 79,832	\$ 88,884	\$ 83,975	\$ 85,459	\$ 87,025	\$ 88,621	\$ 90,249
<b>Milk Marketing Board</b>							
Milk Marketing Fund.....	\$ 2,644	\$ 2,360	\$ 2,422	\$ 2,470	\$ 2,520	\$ 2,570	\$ 2,622
<b>Probation and Parole</b>							
General Fund.....	\$ 78,577	\$ 87,275	\$ 90,811	\$ 91,690	\$ 93,158	\$ 94,655	\$ 96,183
<b>Public Television Network</b>							
General Fund.....	\$ 12,581	\$ 17,229	\$ 15,416	\$ 9,708	\$ 9,771	\$ 9,836	\$ 9,902
<b>Public Welfare</b>							
General Fund.....	\$ 5,852,858	\$ 6,147,666	\$ 6,474,723	\$ 6,902,084	\$ 7,209,577	\$ 7,546,607	\$ 7,907,691
Tobacco Settlement Fund.....	0	0	91,721	99,022	119,377	135,573	119,115
Department Total .....	\$ 5,852,858	\$ 6,147,666	\$ 6,566,444	\$ 7,001,106	\$ 7,328,954	\$ 7,682,180	\$ 8,026,806
<b>Revenue</b>							
General Fund.....	\$ 292,040	\$ 320,861	\$ 243,768	\$ 227,351	\$ 232,957	\$ 240,839	\$ 246,898
Lottery Fund.....	353,625	324,785	387,144	385,818	384,777	383,755	382,751
Racing Fund.....	209	216	222	226	231	236	241
Motor License Fund.....	18,163	18,309	19,722	19,555	19,813	20,076	20,344
Department Total .....	\$ 664,037	\$ 664,171	\$ 650,856	\$ 632,950	\$ 637,778	\$ 644,906	\$ 650,234
<b>Securities Commission</b>							
General Fund.....	\$ 2,074	\$ 2,188	\$ 2,199	\$ 2,243	\$ 2,288	\$ 2,334	\$ 2,381



## Seven Year Department Summary by Fund

	(Dollar Amounts in Thousands)						
	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>State</b>							
General Fund.....	\$ 4,843	\$ 4,692	\$ 5,674	\$ 5,765	\$ 5,880	\$ 5,997	\$ 6,139
<b>State Employees' Retirement System</b>							
General Fund.....	\$ 13	\$ 15	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10
<b>State Police</b>							
General Fund.....	\$ 137,203	\$ 148,059	\$ 158,674	\$ 162,268	\$ 160,779	\$ 162,794	\$ 166,049
Motor License Fund.....	284,549	301,091	326,508	333,923	330,539	334,601	341,293
Department Total .....	\$ 421,752	\$ 449,150	\$ 485,182	\$ 496,191	\$ 491,318	\$ 497,395	\$ 507,342
<b>Tax Equalization Board</b>							
General Fund.....	\$ 1,277	\$ 1,319	\$ 1,349	\$ 1,376	\$ 1,404	\$ 1,432	\$ 1,461
<b>Transportation</b>							
General Fund.....	\$ 287,579	\$ 307,021	\$ 315,465	\$ 315,138	\$ 315,289	\$ 315,442	\$ 315,598
Lottery Fund.....	103,647	120,126	118,348	120,600	123,080	125,600	128,150
Motor License Fund.....	1,484,025	1,505,833	1,522,907	1,474,174	1,513,135	1,533,748	1,563,143
Department Total .....	\$ 1,875,251	\$ 1,932,980	\$ 1,956,720	\$ 1,909,912	\$ 1,951,504	\$ 1,974,790	\$ 2,006,891
<b>Legislature</b>							
General Fund.....	\$ 208,857	\$ 220,411	\$ 226,256	\$ 226,241	\$ 226,256	\$ 226,241	\$ 226,256
<b>Judiciary</b>							
General Fund.....	\$ 207,312	\$ 214,543	\$ 219,518	\$ 223,260	\$ 227,077	\$ 230,970	\$ 234,938
<b>COMMONWEALTH TOTALS:</b>							
General Fund .....	\$ 18,263,339	\$ 19,279,025	\$ 19,678,087	\$ 20,372,661	\$ 20,822,090	\$ 21,221,217	\$ 21,542,345
Lottery Fund .....	903,765	891,797	988,171	1,038,067	1,082,661	1,121,505	1,166,594
Racing Fund .....	20,443	19,446	19,868	19,179	19,284	19,288	19,292
Motor License Fund .....	1,937,880	1,967,984	1,994,997	1,940,512	1,958,569	1,973,365	1,992,058
Game Fund .....	47,546	50,242	48,976	49,700	50,694	51,708	52,742
Fish Fund .....	25,096	24,527	27,347	27,625	28,163	28,712	29,272
Banking Department Fund .....	9,548	10,259	10,038	10,137	10,340	10,547	10,758
Milk Marketing Fund .....	2,644	2,370	2,432	2,480	2,530	2,580	2,632
Farm Products Show Fund .....	4,267	4,472	5,085	4,205	4,205	4,205	4,205
Boat Fund .....	8,821	8,235	8,595	8,763	8,933	9,107	9,284
Keystone Recreation, Park and Conservation Fund .....	68,461	103,935	51,010	52,465	57,198	62,006	67,404
Tobacco Settlement Fund.....	0	0	310,086	334,770	403,586	407,578	358,099
Environmental Stewardship Fund.....	0	85,969	135,149	135,149	135,149	135,149	0
<b>GRAND TOTAL .....</b>	<b>\$ 21,291,810</b>	<b>\$ 22,448,261</b>	<b>\$ 23,279,841</b>	<b>\$ 23,995,713</b>	<b>\$ 24,583,402</b>	<b>\$ 25,046,967</b>	<b>\$ 25,254,685</b>



## General and Special Funds

This table shows a summary by Commonwealth Programs of 1998-99 expenditures, the 1999-00 amounts available, the 2000-01 amounts budgeted and future year estimates as presented in the Governor's 2000-01 Executive Budget for the General Fund and selected Special Funds.

### Seven Year Commonwealth Program Summary

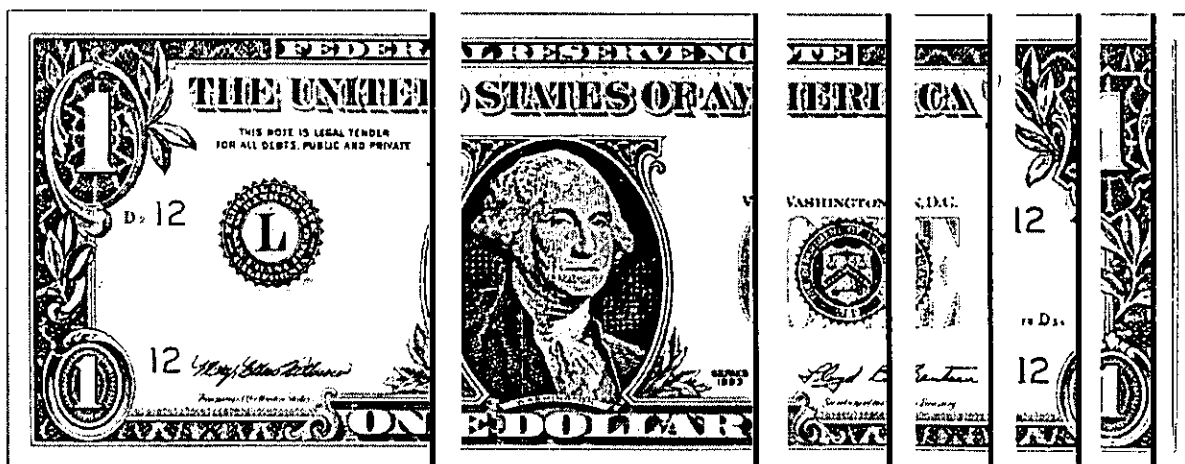
Commonwealth Program	(Dollar amounts in Thousands)						
	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
Direction and Supportive Services.....	\$ 1,001,741	\$ 1,069,813	\$ 1,127,703	\$ 1,140,659	\$ 1,154,177	\$ 1,164,506	\$ 1,173,994
Protection of Persons and Property.....	2,485,630	2,929,364	3,048,502	3,173,613	3,262,154	3,324,147	3,188,793
Education.....	8,037,679	8,216,910	8,290,720	8,393,303	8,419,070	8,393,823	8,410,454
Health and Human Services.....	6,854,189	7,202,614	7,817,920	8,338,561	8,736,034	9,136,209	9,510,847
Economic Development.....	663,895	725,565	702,543	712,663	736,703	724,437	668,431
Transportation and Communication.....	1,878,321	1,849,230	1,857,139	1,809,727	1,842,622	1,863,894	1,887,078
Recreation and Cultural Enrichment.....	370,355	454,765	435,314	427,187	432,642	439,951	415,088
<b>GENERAL FUND AND SPECIAL FUNDS TOTAL.....</b>	<b>\$ 21,291,810</b>	<b>\$ 22,448,261</b>	<b>\$ 23,279,841</b>	<b>\$ 23,995,713</b>	<b>\$ 24,583,402</b>	<b>\$ 25,046,967</b>	<b>\$ 25,254,685</b>



Distribution of the Commonwealth Dollar

**GENERAL FUND AND  
SPECIAL FUNDS**

**2000-01 Fiscal Year**  
(Dollar Amounts in Thousands)



Education \$8,290,720 35.6%

Health and Human Services \$7,817,920 33.6%

Protection of Persons and Property \$3,048,502 13.1%

Transportation and Communication \$1,857,139 8.0%

Direction and Supportive Services \$1,127,703 4.8%

**TOTAL \$23,279,841**

Economic Development \$702,543 3.0%

Recreation and Cultural Enrichment \$435,314 1.9%

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

## General Fund

This table shows a summary by Commonwealth Program of 1998-99 expenditures, the 1999-00 amounts available, the 2000-01 amounts budgeted and future year estimates as presented in the Governor's 2000-01 Executive Budget for the General Fund.

### Seven Year Commonwealth Program Summary

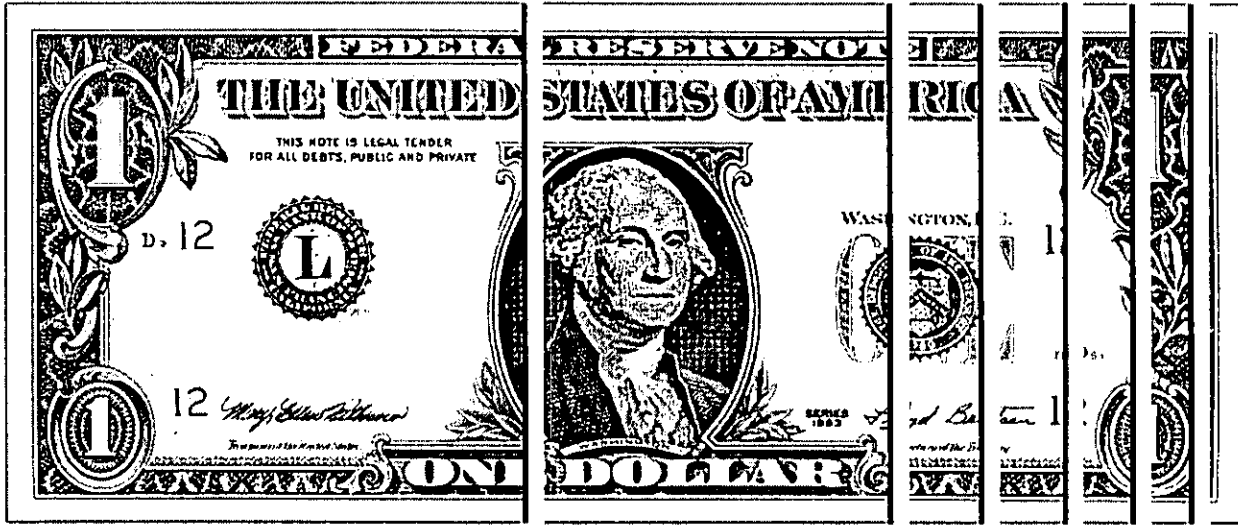
	(Dollar amounts in Thousands)						
	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>Commonwealth Program</b>							
Direction and Supportive Services.....	\$ 673,257	\$ 769,326	\$ 837,690	\$ 850,447	\$ 863,081	\$ 872,514	\$ 881,096
Protection of Persons and Property.....	2,054,462	2,430,417	2,375,229	2,487,300	2,559,676	2,613,601	2,556,997
Education.....	8,028,387	8,206,677	8,279,795	8,381,696	8,406,612	8,380,432	8,396,044
Health and Human Services.....	6,226,982	6,555,702	6,873,482	7,329,490	7,641,143	7,979,105	8,341,763
Economic Development.....	663,895	701,580	654,193	663,014	683,432	692,407	668,431
Transportation and Communication.....	388,779	364,255	382,582	395,668	403,229	416,544	429,842
Recreation and Cultural Enrichment.....	227,577	251,068	275,116	265,046	264,917	266,614	268,172
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$18,263,339</u></b>	<b><u>\$19,279,025</u></b>	<b><u>\$19,678,087</u></b>	<b><u>\$20,372,661</u></b>	<b><u>\$20,822,090</u></b>	<b><u>\$21,221,217</u></b>	<b><u>\$21,542,345</u></b>



# Distribution of the Commonwealth Dollar

## GENERAL FUND

2000-01 Fiscal Year



Education 42.1¢

Health and Human Services 34.9¢

Protection of Persons and Property 12.1¢

Direction and Supportive Services 4.3¢

Economic Development 3.3¢

Transportation and Communication 1.9¢

Recreation and Cultural Enrichment 1.4¢

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





## General Fund

The following is a summary by Commonwealth Program of the 1999-00 amounts available and the 2000-01 amounts budgeted and the percent each program represents of the General Fund total as presented in the 2000-01 Governor's Executive Budget.

### Program Summary

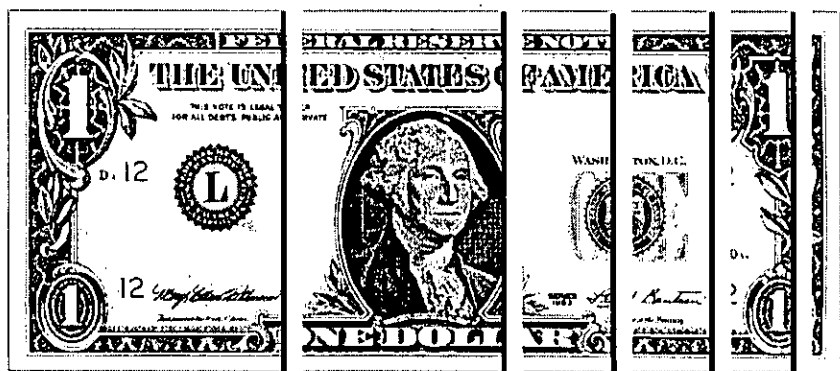
(Dollar Amounts in Thousands)

Commonwealth Program	1999-00		2000-01	
	Dollar Amount	Percent	Dollar Amount	Percent
Direction and Supportive Services.....	\$ 769,326	4.0%	\$ 837,690	4.3%
Protection of Persons and Property.....	2,430,417	12.6%	2,375,229	12.1%
Education.....	8,206,677	42.6%	8,279,795	42.1%
Health and Human Services.....	6,555,702	34.0%	6,873,482	34.9%
Economic Development.....	701,580	3.6%	654,193	3.3%
Transportation and Communication.....	364,255	1.9%	382,582	1.9%
Recreation and Cultural Enrichment.....	251,068	1.3%	275,116	1.4%
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 19,279,025</b>	<b>100.0%</b>	<b>\$ 19,678,087</b>	<b>100.0%</b>



# GENERAL FUND

2000-01 Fiscal Year



## Income

(Dollar Amounts in Thousands)

TOTAL INCOME .....	\$20,597,700
Refunds .....	-700,000
Less Tax Reduction .....	-643,500
Beginning Balance .....	443,879
<hr/>	
TOTAL .....	\$ 19,698,079

Sales \$7,254,800	35.2%
Personal Income \$7,323,900	35.5%
Other Business \$2,197,700	10.7%
Corporate Net Income \$1,792,000	8.7%
Other Revenues \$1,150,000	5.6%
Inheritance \$879,300	4.3%

## Outgo

(Dollar Amounts in Thousands)

TOTAL OUTGO .....	\$ 19,678,087
Tax Stabilization	
Reserve Fund .....	2,999
Ending Surplus .....	16,993
<hr/>	
TOTAL .....	\$ 19,698,079



Education \$8,279,795	42.1%
Health and Human Services \$6,873,482	34.9%
Protection \$2,375,229	12.1%
Direction \$837,690	4.3%
Other Programs \$657,698	3.3%
Economic Development \$654,193	3.3%

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



# USE OF THE GENERAL FUND DOLLAR

2000-01 Fiscal Year

Grants and Subsidies 74.6¢



General Government 12.7¢

Institutional 10.5¢

Debt Service Requirements 2.2¢

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





---

# 2000-01 PROGRAM POLICY DIRECTION AND BUDGET THEMES

The Governor's 2000-01 Program Policy Guidelines, issued in August 1999, defined major policy issues, stated priorities and provided direction to Commonwealth agencies for the preparation of 2000-01 agency budget requests. The 2000-01 Program Policy Direction section immediately following this page presents the program and financial goals and policies that guided the development of the 2000-01 Governor's Executive Budget.

This section summarizes the Governor's recommended Program Revisions for the 2000-01 fiscal year within the following five budget theme presentations: Creating Economic Opportunity, Preparing for Our Future, Promoting Self-Sufficiency and Enhancing Services, Ensuring Public Health and Safety and Information Technology for Pennsylvania. Theme topics may vary year to year based on the funding priorities established by the Governor. Each budget theme begins with an introduction which briefly summarizes all Program Revision budget recommendations contained in that theme. The remainder of the theme then presents information on each individual Program Revision, including the agencies or departments responsible for implementing the Program Revision, the funding sources and appropriations supporting Program Revision implementation, and a brief summary description of each Program Revision component. Detailed Program Revision presentations, including a full discussion of the Program Revision and its associated program measures, funding recommendations and costs by appropriation can be found in Section E. Department Presentations in the agency responsible for leading the Program Revision implementation.

---



## 2000-01 Program Policy Direction

This section presents the program and financial goals and policies that guided the development of the 2000-01 Governor's Executive Budget. The Governor's 2000-01 Program Policy Guidelines, issued in August 1999, defined major policy issues, stated priorities and provided direction to Commonwealth agencies for the preparation of 2000-01 agency budget requests. Budget planning was predicated on a modest overall increase in agency spending. Agencies were directed to continue to evaluate current programs and recommend changes that would improve program management and operations, reduce costs, and maximize direct services.

The Governor stated that the 2000-01 Budget, as the first statement of the Commonwealth's fiscal priorities in the 21<sup>st</sup> Century, would seek to build on a solid foundation and chart a decisive and responsible direction for Pennsylvania in the new millennium. The Commonwealth's vision was to remain simple and focused. Agencies were to continue to do the people's business in a customer-focused and fiscally responsible manner, establish public-private partnerships in order to define and meet mutual needs for the collective good, and pursue relentlessly what works and eliminate that which does not work. In so doing, the goals of safe streets, a sound economy, a pristine environment, quality education, personal responsibility, and community participation in governing will be achieved, and Pennsylvania will be able to successfully navigate the challenges of the 21<sup>st</sup> Century,

The 2000-01 Program Policy Guidelines were grounded in several core goals. Agencies were to budget for a Pennsylvania that is pro-employer/pro-worker and for an economy that enables all Pennsylvanians to pursue opportunities and prosperity; that seeks to preserve and enhance its natural resources; that nurtures and enables communities to be free of crime, disease and social/economic decline; that uplifts the educational needs of children and supports a range of quality public and private educational choices for parents, children and communities; and that supports, encourages, and enables personal responsibility. In short, to budget for a Pennsylvania that helps the Commonwealth succeed and prosper. The Governor noted that his previous budgets reflected the strategic vision, goals and objectives of his Administration and as a result Pennsylvania has realized real and productive change in the health of its government and communities. He directed agencies to build upon these successes and grow them, to carve out and forge a legacy that will become a benchmark for effective governing in the new millennium. Agencies and State employees were to maintain committed to realizing this common vision for a better Pennsylvania and were to persist in an aggressive pursuit of the Administration's goals. In so doing, agencies will fortify Pennsylvania's emerging status as a leader in the national and international arenas and further enhance the quality of life for all of Pennsylvania's families and communities.

The 2000-01 Program Policy Guidelines noted that the strong national economic performance over the past two calendar years affected all regions in the country including Pennsylvania, but that Pennsylvania, along with other northeastern states, over the last year experienced slower growth rates in economic indicators than those for the nation and for other regions of the country. The Governor stated that in spite of growth rates below the nation's, the Commonwealth's General Fund revenues had been above the estimates used in the last several annual budgets, and that the higher revenues were due to faster economic growth than forecast and the use of conservative budget revenue estimates. The Guidelines noted that the Administration recognized that potential budgetary risks were present in the Commonwealth's favorable fiscal position in July 1999, and that the economic factors that had combined to produce a strong and dynamic State and national economy could reverse and with little warning. Because there was no reasonable basis to expect the economy to continue to substantially outperform forecasts, agencies were directed to budget conservatively so that the Commonwealth as a whole could maintain improved fund reserve balances to guard against future tax increases, and avoid long-term commitments to permanent spending increases that could be unsustainable.

The Governor also stated that he would not seek a tax increase in the 2000-01 Budget, and directed agencies to plan on a very modest overall budget increase. Increases would be allowed only in those areas considered high priority and which would produce results otherwise not attainable without the expenditure of additional resources. Agencies were directed to establish clear priorities and objectives among programs, services and activities within the framework of a strategic plan. Agencies were to develop operating budgets based on the amounts necessary to carry forward current programs at minimum cost, and to seek additional ways to improve efficiency and accomplish program changes through reengineering and targeting program operations. Agencies were to carefully review all



programs to ensure they are accomplishing desired results and are consistent with the strategic direction identified in the Administration's mission and goal statements, and were directed to modify or eliminate those programs that were no longer effective or otherwise not needed. Proposals for new or expanded programs were to be offset by keeping cost increases of other programs below the rate of inflation, or by reducing funding in other programs.

Program direction to agencies focused on maintaining continued progress toward meeting the Administration's mission, goals and strategic direction for the future through efficient and effective program operations. Just as previous budgets had clearly reflected the Administration's mission and goals, so to must the 2000-01 Budget. All agencies were expected to submit budget requests consistent with the mission, goals and priorities presented in the Program Policy Guidelines. Agency budget requests were to focus on solidifying the Administration's successes and ensuring that new initiatives undertaken over the past four years were operating at maximum efficiency, were responsive to the Commonwealth's customers (citizens and business) and were achieving or exceeding the projected results. Agencies were directed to build upon their successes to continuously add value to the functions and activities that are core to a government's responsibilities to its citizens.

The Program Policy Guidelines also emphasized the importance of monitoring and assuring program performance consistent with the Administration's mission and goals, and directed agencies to focus on the long-term fiscal management of their programs and operations. Agencies that planned to request Program Revisions as part of their budget requests were directed to do sufficient planning to show the results that would be achieved with the implementation of the Program Revision. Agencies were directed to submit a plan demonstrating how each Program Revision addresses the Commonwealth's mission and goal statements, how it would be implemented, how funding would be used and the expected return on the public's investment. The implementation plan was to include a description and rationale for the Program Revision, as well as milestones, tasks, and responsibilities for tasks, and how program outcomes would be measured and evaluated.

The following pages presents Program Revision recommendations consistent with the direction of the Governor's 2000-01 Program Policy Guidelines.

## Creating Economic Opportunity

Dramatic changes and improvements to Pennsylvania's economic development strategies have been undertaken since 1995 with the goal of positioning the Commonwealth and its businesses and entrepreneurs to excel in the new digital economy of the 21st century. Traditional mainline infrastructure and economic development programs have been streamlined and enhanced to address those sectors of Pennsylvania's economy that are forging new economic prosperity and bold new innovations are proposed to lead Pennsylvania into the 21st century digital economy.

To assist our businesses and entrepreneurs remain competitive and to excel, the burdensome level of taxation continues to be reduced for Pennsylvania citizens and employers. Tax reduction initiatives recommended in this budget will lead to the eventual elimination of the Capital Stock and Franchise Tax (CSFT). This budget proposes an initial two mill reduction and subsequent one mill annual reductions to the CSFT rate. These reductions will eliminate the tax by January 1, 2009. Beginning on January 1, 2000, the CSFT rate will be reduced from 10.99 to 8.99 mills. Further, this budget eliminates the mandatory minimum Capital Stock and Franchise Tax. This budget also recommends assisting Pennsylvania households embrace technology by providing a personal computer sales tax holiday as an incentive to purchase a personal computer for household use. This Program Revision continues to further increase the amount of discretionary income working families retain by amending the special forgiveness provisions in Pennsylvania's Personal Income Tax. The Special tax forgiveness provisions to the Pennsylvania Personal Income Tax (PIT) allow eligible claimants to reduce their tax liability depending upon the amount of their eligible income. This budget increases the dependent exemption from \$6,500 to \$7,500. With this proposal, a qualifying family of four with taxable income up to \$28,000 will owe no tax for an annual savings of \$627. This proposal will assist over 56,000 working Pennsylvania individuals and families. Finally, this budget provides temporary property tax relief through the Keystone Homestead Rebate initiative which will be the largest property tax relief program in the Commonwealth. This one-time only initiative will provide a homestead property tax rebate in an amount equal to 100% of the real estate property tax paid to a school district for the 1999-00 tax year provided that each Keystone Homestead Rebate does not exceed \$100.

As Pennsylvania enters the 21st century, the economy has undergone fundamental changes that have affected nearly every business sector. These changes were based on technological advances and required unique approaches to ensure that Pennsylvania can excel in the new digital economy. In response, this budget proposes to enhance several bold, new innovations in economic development strategies. This budget recommends the expansion of the Pennsylvania Technology Investment Authority (PTIA). The PTIA will continue to provide new financing tools to grow, attract and retain technology companies and to refocus business development activities to the demands of the digital economy. The PTIA's mission will be threefold. First, to provide high-tech financing to small and medium-sized firms. Second, to stimulate the adoption and expansion of electronic commerce, both in the public as well as the private sector. Finally, to coordinate and expand university-based research and development in high-tech fields. PTIA expansion efforts will focus on achieving dramatic increases in technology commercialization and the accelerated adoption of electronic commerce.

Changing demands of the digital economy will require new initiatives to educate and retain knowledge-based workers. These initiatives include the SciTech Scholars Program and the GI Bill for the New Economy, which enable Commonwealth technology firms to benefit from the large number of high-quality, high-tech students graduating from Pennsylvania colleges and universities. This budget continues to award scholarships to Pennsylvania residents enrolled at a Pennsylvania public or private college or university who are majoring in certain science and technology-based fields of study.

This budget also recommends a dramatic increase in the Commonwealth's business financing tools in order to maximize the impact of these emerging opportunities. Additional funding is provided to enable the Commonwealth to participate in exceptional investment opportunities throughout the State. Investment in these additional projects will provide opportunities for extraordinary job creation while building on existing workforce, infrastructure and intellectual strengths of the Commonwealth.



# Overview and Summaries

Aggressively marketing Pennsylvania as an attractive site for business location and expansion has been a Commonwealth goal. This budget seeks to bolster the successful marketing of Pennsylvania businesses, its economic outlook and tourism destinations by providing additional funding for the Commonwealth's fully integrated, multi-media marketing campaign. This campaign seeks to cooperatively market in partnership with the private sector to leverage the Commonwealth's resources to reach broader markets. Expanded marketing efforts will bolster the Commonwealth's television and radio advertising presence and Pennsylvania will expand its international advertising and direct marketing as well.

## Recommended Program Revision:

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

Program Revision / Department / Appropriation	2000-01	
	General Fund	Federal and Other Funds
(Dollar Amounts in Thousands)		
<b>EXCELLING IN THE DIGITAL ECONOMY</b>		
<b>Community and Economic Development:</b>		
International Trade.....	\$ 287	
Interactive Marketing.....	1,500	
Marketing to Attract Tourists.....	4,452	
Marketing to Attract Business.....	2,015	
Regional Marketing Partnerships.....	1,000	
Team Pennsylvania-Western PA Venture Capital Fund.....	3,000	
Transfer to Ben Franklin/IRC Fund.....	2,200	
Transfer to Machinery and Equipment Loan Fund.....	4,000	
Opportunity Grant Program.....	28,000	
Customized Job Training.....	3,000	
Industrial Development Assistance.....	1,300	
Local Development Districts.....	395	
Small Business Development Centers.....	1,000	
Tourist Promotion Assistance.....	500	
Super Computer Center.....	(2,000)	
Infrastructure Technical Assistance.....	(3,500)	
PEDFA- PA Technology Investment Authority.....	30,000	
Tourist Product Development.....	1,000	
<b>Higher Education Assistance Agency:</b>		
SciTech and GI Bill Scholarships.....	16,534	
SciTech and GI Bill Scholarships - Administration.....	661	
Total.....	\$ 95,344	\$ 0

*This Program Revision positions Pennsylvania to compete and lead in the 21st century digital economy by further reducing taxes and by expanding bold technology-related initiatives. Tax reductions are provided to continue the economic growth and prosperity in Pennsylvania. Additional funding is provided to enhance the Pennsylvania Technology Investment Authority to provide innovative financing tools for high technology businesses, to expand the use of electronic commerce and to coordinate university research to increase technology commercialization. Funding is also provided to continue scholarships for Pennsylvania science and technology students. This Program Revision also provides funding to expand traditional economic development activities. Funding is also provided to expand international trade activities and to implement interactive marketing strategies. Additional funds are provided for regional marketing initiatives and for local tourist promotion agencies.*





## Preparing for Our Future

Pennsylvania's future depends upon the educational opportunities offered to its citizens. The Commonwealth has undertaken significant and innovative education initiatives over the past four years in order to create a quality educational system able to prepare our students to face the world of today and tomorrow. Resources are being targeted to advance the Commonwealth's priorities, such as increasing funding for basic education and special education, developing assessment tests which measure how well our children are learning, and developing academic standards which help our children and their parents know what is required to be successful in higher education, the workplace and for participation in society. An incentive award program has been established which recognizes schools that make significant strides in improving the education and effort of their students. Other program efforts are underway to incorporate technology into our schools to reach beyond the classroom by building the Pennsylvania Education Network and creating a true Commonwealth of Learning. This budget continues to build upon past efforts by providing additional funding for basic education programs and for a fourth year of incentive awards for schools that show significant improvement in achievement and effort. To insure the effectiveness of the incentive program, this budget proposes increased funding to expand and refine academic assessment tools. Recognizing that skilled teachers are crucial for the successful integration of the new tests and academic standards into the classroom, this budget provides additional funding to establish a coordinated, high quality teacher professional development program.

In addition, this budget recommends funding for a number of programs to enhance school accountability and performance, including initiatives to develop a school spending and management reporting process, conduct independent, impartial evaluations of school academic and financial performance, and support the implementation of school improvement plans. Over the past four years, the Commonwealth has provided more than \$166 million to expand and enhance the use of technology in Pennsylvania's schools and communities. This budget builds upon these investments by providing resources to implement integrated learning systems technologies in schools and to create model digital school districts, as well as to continue technology grants to higher education institutions and the loan of technology resources to nonpublic schools. This budget also expands child-focused and family literacy programs and recommends second year funding for Read to Succeed, an intensive reading program for students in the K-3 grades, and provides increased funding for school district and intermediate unit special education programs, and for programs designed to prevent and reduce school violence and to educate disruptive students.

Public libraries with their comprehensive collection of information and resources are essential to the prosperity of our communities and are increasingly becoming a focal point for information resources due to the significant impact technology is having on society. However, the cost of providing quality library services is expensive and libraries are struggling to keep up with these costs. This budget recommends additional changes to the Commonwealth funding formula for public libraries to enhance local library operating budgets and to create a stronger incentive for local governments to invest in their public libraries. In addition, this budget recommends resources to enhance and expand the Access Pennsylvania database and the Pennsylvania Online World of Electronic Resources (POWER) Library.

# Overview and Summaries

**Recommended Program Revision:** \_\_\_\_\_

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

Program Revision / Department / Appropriation	2000-01	
	General Fund	Federal and Other Funds
(Dollar Amounts in Thousands)		
<b>IMPROVING OUR SCHOOLS</b>		
<b>Education:</b>		
General Government Operations.....	\$ 81	
Information and Technology Improvement.....	2,500	
PA Assessment.....	4,465	
State Library.....	32	
Basic Education Funding.....	110,319	
Performance Incentives.....	33,538	
School Improvement Grants.....	20,000	
Technology Initiative.....	21,450	
Teacher Professional Development.....	4,130	
Read to Succeed.....	25,000	
Adult and Family Literacy.....	5,000	
Special Education.....	46,889	
Technology for Nonpublic Schools.....	6,000	
Safe and Alternative Schools.....	3,200	
Higher Education Technology Grants.....	10,000	
Total.....	\$ 292,604	\$ 0

*This Program Revision increases support for basic education, expands the performance incentive program, refines and expands our current academic assessment system, proposes an independent evaluation of school district academic and financial performance, expands teacher professional development opportunities, and supports the development and implementation of a Statewide school reporting process and of school improvement plans. This Program Revision also proposes integrated learning systems technologies in schools and the development of model digital school districts, and continues to provide technology grants to higher education institutions and loaned technology resources to nonpublic schools. This Program Revision expands child-focused and family literacy programs and recommends second year funding for the Read to Succeed intensive reading program. Finally, this Program Revision increases special education funding, expands programs to assist school districts in preventing and reducing school violence and in educating students that exhibit disruptive or violent behavior.*

**INVESTING IN PENNSYLVANIA'S PUBLIC LIBRARIES**

<b>Education:</b>		
Improvement of Library Services.....	\$ 15,000	
Library Access.....	500	
School Library Catalog.....	3,600	
Total.....	\$ 19,100	\$ 0

*This Program Revision restructures public library funding to enhance local libraries operating budgets and to create a stronger incentive for local governments to invest in their public libraries. In addition, this Program Revision provides resources to enhance and expand the Access Pennsylvania database and the Pennsylvania Online World of Electronic Resources (POWER) Library.*



## Promoting Self-Sufficiency and Enhancing Services

The Commonwealth has made significant investments over the last several years to promote individual and family independence and self-sufficiency. Incentives to stay on welfare were removed and self-sufficiency was encouraged by requiring work and work-related activities in order to remain eligible for benefits. In addition, service enhancements have been implemented to afford persons with disabilities the opportunity to be as productive as possible and to fully participate in society. This budget recommends initiatives which build upon these successes by increasing services which enable families to become or remain self-sufficient, and expanding home and community-based services which promote independence and self-respect.

With the enactment of dramatic changes in Pennsylvania's welfare system in May 1996, the Commonwealth has taken important steps toward strengthening families and communities, and providing individuals the opportunity to regain self-sufficiency. To support individuals and families transitioning from welfare to work, over \$2.8 billion has been provided through the Department of Public Welfare since 1995-96 for expanded employment and training, child care, transportation and other support services. This budget recommends funding to further increase the availability and quality of child care services, expand transportation options for welfare recipients and low-income individuals to access jobs, and enhances employment and training services, including educational opportunities, for individuals and families transitioning from welfare to work.

As a result of medical and technological advancements and the development of more sophisticated service delivery systems, many individuals with disabilities are now able to remain in their homes and communities with the appropriate supports. This budget recommends funding to expand and enhance home and community-based services for persons with mental retardation, mental illness, disabilities such as traumatic brain injury and autism, and for older Pennsylvanians. This budget also recommends funding for home modifications and assistive technology to improve accessibility for individuals with disabilities.

**Recommended Program Revision:** \_\_\_\_\_

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

	2000-01	
	General Fund	Federal and Other Funds
(Dollar Amounts in Thousands)		
<b>Program Revision / Department / Appropriation</b>		
<b>PROMOTING SELF-SUFFICIENCY AND RESPONSIBILITY</b>		
<b>Community and Economic Development:</b>		
TANFBG- Child Care Start-Up.....	\$	500
<b>Higher Education Assistance Agency:</b>		
TANFBG-Education Opportunities.....		1,500
<b>Public Welfare:</b>		
New Directions.....	\$	474
TANFBG - Cash.....		1,489
TANFBG - New Directions.....		14,977
Food Stamps - New Directions.....		32
Cash Grants.....	(556)	
Medical Assistance - Outpatient.....	83	
Medical Assistance - Outpatient.....		85
CCDFBG - Child Care.....		10,000
Total.....	\$	1 \$ 28,583



# Overview and Summaries

2000-01

General Fund	Federal and Other Funds
--------------	-------------------------

(Dollar Amounts in Thousands)

## Program Revision / Department / Appropriation

### PROMOTING SELF-SUFFICIENCY AND RESPONSIBILITY

*This Program Revision provides resources to: implement quality, capacity and operational enhancements for child care centers; expand the availability of transportation services to assist welfare recipients and low-income individuals to access employment opportunities; provide corrective lenses and hearing devices for individuals participating in contracted employment and training programs; expand incentives for the principal wage earner in two-parent households receiving cash assistance to obtain and retain employment; develop new and expanded programs to meet the educational needs of welfare recipients and low-income students; assist adults with disabilities who receive cash assistance to participate in employment and training opportunities; and, pilot comprehensive neighborhood-based employment and training opportunities in public housing residences.*

### EXPANDING HOME AND COMMUNITY-BASED OPPORTUNITIES FOR PERSONS WITH DISABILITIES

	General Fund	Federal and Other Funds
<b>Aging:</b>		
Family Caregiver.....	\$ 825	
Nursing Home Alternatives Support.....		\$ 1,123
Medical Assistance Support.....		1,123
<b>Community and Economic Development:</b>		
TANFBG-Housing Assistance.....		5,000
PEDFA- PA Technology Investment Authority.....	300	
<b>Public Welfare:</b>		
General Government Operations.....	79	
Medical Assistance - Administration.....		29
County Administration - Statewide.....	57	
Medical Assistance - Statewide.....		102
Intergovernmental Transfer.....		3
Mental Health Services.....	5,522	
MHSBG - Community Mental Health Services.....		220
Nursing Home Alternative Services.....		718
Medical Assistance - Long-Term Care.....		832
Community Mental Retardation Services.....	15,253	
Medical Assistance - Community MR Services.....		35,428
Services to Persons with Disabilities.....	1,358	
Medical Assistance - Developmentally Disabled.....		1,573
<b>Total.....</b>	<b>\$ 23,394</b>	<b>\$ 46,151</b>

This Program Revision is also supported with \$2.6 million in prior year State funds.

*This Program Revision provides resources to: expand and enhance the availability of home and community-based services for persons with mental retardation, individuals with disabilities such as traumatic brain injury and autism, and older Pennsylvanians; provide Family Caregiver support services for additional individuals who care for older family members in their home; provide community-based service alternatives for persons currently residing in State mental hospitals; enhance the continuum of mental health services in select counties within the Lehigh/Capital region in preparation for the implementation of Medical Assistance behavioral health managed care; pilot a program to identify older Pennsylvanians with mental health needs; provide financial assistance and loans for home modifications for low-income families that include persons with disabilities; and, expand the availability of loan guarantees for individuals with disabilities for the purchase of assistive technology.*



## Ensuring Public Health and Safety

Protecting the health and safety of citizens, establishing clear and effective regulations and enforcing the laws are basic functions of State Government. This budget continues Commonwealth efforts to protect public health and safety through the implementation of Growing Greener, an unprecedented commitment to Pennsylvania's environment, and to prevent and reduce crime.

This budget recommends a dramatic expansion in the level of funding to correct such problems as acid mine drainage, watershed protection, repair and replacement of aging water and sewer infrastructure and to repair and renovate projects at our State Parks and Forests. Additional funding is provided for farmland preservation and to encourage local governments to undertake coordinated and strategic land use planning initiatives.

A comprehensive, cooperative and continuing approach to battle crime is essential to ensuring the safety of Pennsylvania citizens and neighborhoods. In an effort to meet this challenge, this budget recommends the expansion of programs designed to assist communities in developing juvenile delinquency and violence prevention programs. Realizing that the battle against crime must be waged across the full continuum of public safety strategies, this budget provides funding for expanded drug and alcohol intermediate punishment programs, as well as an expansion of the availability of specialized probation services. Additional funding for basic and vocational education programs in State Correctional Institutions is recommended as well as funding for increased prison capacity. Because volunteer fire companies and the State Police also play a vital role in ensuring public safety, this budget also recommends funding for grants to volunteer fire companies and additional safety equipment for State Police troopers.

### Recommended Program Revision:

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

Program Revision / Department / Appropriation	2000-01	
	General Fund	Federal and Other Funds
	(Dollar Amounts in Thousands)	
<b>VISION FOR THE 21ST CENTURY ENVIRONMENT</b>		
<b>Agriculture:</b>		
Transfer to Agricultural Conservation Easement Purchase Fund.....		\$ 20,002
<b>Community and Economic Development:</b>		
Planning Assistance.....	\$ (625)	
Land Use Planning Assistance.....	3,125	
<b>Conservation and Natural Resources:</b>		
General Government Operations.....	725	
Parks & Forest Facility Rehabilitation.....		24,071
Community Conservation Grants.....		8,200
Natural Diversity Conservation Grants.....		300
<b>Environmental Protection:</b>		
Environmental Program Management.....	155	
Office of Pollution Prevention and Compliance Assistance.....	206	
Environmental Protection Operations.....	741	
Oil and Gas Well Plugging.....		3,000
Abandoned Mine Reclamation and Remediation.....		10,000
Watershed Protection and Restoration Grants.....		32,046
Sewage and Drinking Water Grants.....		5,500
<b>Infrastructure Investment Authority:</b>		
Storm Water, Water and Sewer Grants.....		32,030
<b>Total.....</b>	<b>\$ 4,327</b>	<b>\$ 135,149</b>



# Overview and Summaries

2000-01

General Fund	Federal and Other Funds
--------------	-------------------------

(Dollar Amounts in Thousands)

**Program Revision / Department / Appropriation**

**VISION FOR THE 21ST CENTURY ENVIRONMENT**

*This Program Revision provides resources for Growing Greener to address abandoned mine reclamation, watershed restoration, additional water and sewer infrastructure, farmland preservation, public land stewardship and community conservation. Funding is also provided to support watershed-based environmental management and for the promotion of sound land use planning tools and techniques.*

**PROTECTING PUBLIC SAFETY THROUGH ENFORCEMENT, PREVENTION AND REHABILITATION**

**Executive Offices:**

Weed and Seed Program.....	\$	1,156	
Partnership for Safe Children.....		2,130	
Intermediate Punishment Drug and Alcohol Treatment.....		2,000	
Communities That Care.....		4,000	
Specialized Probation Services.....		2,000	

**Corrections:**

General Government Operations.....		382	
Medical Care.....		885	
Inmate Education and Training.....		2,121	
State Correctional Institutions.....		7,598	

**Emergency Management Agency:**

Fire Company Grants.....		15,000	
--------------------------	--	--------	--

**State Police:**

General Government Operations.....		600	
General Government Operations - MLF.....			\$ 1,276

Total.....	\$	37,872	\$	1,276
------------	----	--------	----	-------

*This Program Revision provides resources to implement community-based juvenile delinquency and violence prevention strategies and expands specialized juvenile probation services. Funding is provided to expand the drug and alcohol intermediate punishment programs, basic and vocational education programming and increased prison capacity. In addition, funding is provided for grants for volunteer fire companies and additional safety equipment for State Police troopers.*



## Information Technology for Pennsylvania

Utilizing advances in information technology enables government to work more efficiently and effectively while enhancing service delivery at the same time. Innovative and aggressive information technology policies will improve services, reduce costs and allow government to be more responsive to the needs of Pennsylvanians. In order to fully benefit from information technology advances, this budget focuses on enterprise-wide solutions that will give agencies access to upgraded software, hardware and facility infrastructure and allow them to interact with entities outside State government, form effective alliances with businesses and communities, and provide citizens and customers with easier access to government services.

Consistent with this enterprise-wide approach, this budget recommends funding for the continued development and implementation of the Integrated Criminal Justice Network. A complementary program to the Justice Network is the State Police Incident Information Management System (IIMS). This budget recommends funding for the second year of the IIMS program to create an agency-wide system that will promote information technology communications, data sharing, scheduling and document tracking capabilities in addition to providing mobile workstations for State Police troopers. This budget also recommends funding for enterprise-wide technology projects that positively impact the business functions of Commonwealth government. Funding is recommended to upgrade and integrate the Commonwealth's administrative systems as well as for a communication office that will oversee implementation of an integrated communication network. This budget also recommends a redesigned Commonwealth internet portal and e-government solutions for local governments. Funding is also recommended for desktop computing and network administration software, remediation of any remaining Year 2000 compliance issues and data center transition. In addition, this budget recommends funding for a radio office as well as radio equipment for seven agencies for the Statewide Public Safety Radio System which is scheduled to begin operations in the southeastern part of the Commonwealth in March 2000.

**Recommended Program Revision:** \_\_\_\_\_

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

Program Revision / Department / Appropriation	2000-01	
	General Fund	Federal and Other Funds
(Dollar Amounts in Thousands)		
<b>ENHANCING INFORMATION TECHNOLOGY TO BETTER SERVE PENNSYLVANIA</b>		
<b>Executive Offices:</b>		
Information Communication.....	\$ 24,000	
Technology Investment Program.....	16,388	
Commonwealth Technology Services.....	859	
Radio Systems - Local Government Services.....		\$ 189
Electronic Government.....	20,000	
Communications Management.....	2,655	
Enterprise Resource Planning.....	35,408	
Integrated Criminal Justice System.....	12,019	
Statewide Public Safety Radio System.....		612
<b>Attorney General:</b>		
Statewide Radio System.....	668	
<b>Conservation and Natural Resources:</b>		
General Government Operations.....	16,025	
<b>Corrections:</b>		
State Correctional Institutions.....	2,001	
<b>Emergency Management Agency:</b>		
Information Systems Management.....	1,600	
<b>Environmental Protection:</b>		
Environmental Protection Operations.....	1,051	



# Overview and Summaries

2000-01	
General Fund	Federal and Other Funds

(Dollar Amounts in Thousands)

**Program Revision / Department / Appropriation**

**ENHANCING INFORMATION TECHNOLOGY TO BETTER SERVE PENNSYLVANIA**

**Historical and Museum Commission:**

General Government Operations..... 318

**State Police:**

General Government Operations..... 4,795

CLEAN System..... 5,651

General Government Operations - MLF..... 10,191

CLEAN System - MLF..... 12,008

**Transportation:**

Highway Maintenance..... 8,017

Total.....

**\$ 143,438 \$ 31,017**

*This Program Revision continues the development of the Justice Network to allow the sharing of information among criminal justice agencies and implements year two of an Incident Information Management System for enhanced law enforcement communications and data sharing. This Program Revision also recommends enterprise-wide information technology projects that will integrate the Commonwealth's administrative systems, enhance the communication network and redesign the Commonwealth's Internet portal. This Program Revision recommends funding for desktop computing software, remediation of any remaining Year 2000 compliance issues and data center transition. In addition, this Program Revision recommends a radio office and radio equipment for seven agencies as part of the Statewide Public Safety Radio System.*







The Improve Management Performance and Cost Control Task Force Commission (IMPACCT) was created by the Governor and the Legislature in 1995 to study management of government operations and to propose changes in State government operations which reduce costs, increase accountability and improve services.

The Lieutenant Governor leads the Privatize, Retain, Innovate, Modify and Eliminate (PRIME) process, the implementation stage of IMPACCT.

PRIME is creating a more customer-centered, cost-efficient, and competitive State Government through employe-driven change. In each agency Innovation Teams or I-Teams have been carrying out the recommendations included in that agency's PRIME Action Plan. PRIME has effected fundamental changes in the way State Government does business.

To date 513 PRIME recommendations have been completed. It is estimated that over \$525 million has been saved, reallocated or earned from completed projects. These accomplishments range from implementing a co-pay fee for inmate health care in the Department of Corrections, to streamlining the teacher certification process within the Department of Education to allow teachers to receive their certification document in 10 days rather than four to six weeks as in the past. In 2000-2001 the efforts of PRIME will continue so that core public services are delivered in the most customer focused and cost-effective way possible.

The Innovation Bank Program, initiated in March 1998, continued to be utilized in 1999-00. The bank, unique to Pennsylvania, provides job related incentive rewards based on individual or team accomplishments for innovative projects that have led to a customer focused and more effective State Government. Currently, work groups responsible for three projects have earned Innovation Awards. A total of \$335,297 from savings generated by the projects have been returned to these work groups to be used in the workplace.

Examples of PRIME recommendations that were or will be completed in 1999-00 are shown below. These examples are highlighted in the respective agency presentations and identified by a PRIME logo.



1. The Department of Corrections is using telemedicine to reduce the need for offsite medical consultations. This innovative use of technology has greatly improved security by reducing transportation of inmates and associated overtime. It also reduces the number of psychiatrist hours that are charged to the state. In 1999-00 the department is expecting to save \$150,000 in costs and anticipates saving \$250,000 in 2000-01.
2. The Department of Aging expanded the use of volunteers in the Ombudsman program. The use of volunteers in 34 of the 52 Area Agencies on Aging throughout the state expands the outreach and assistance to Pennsylvania's senior citizens. An estimated \$200,000 of additional services was provided by the volunteers assisting staff.
3. The Department of Military and Veteran's Affairs reached an agreement for the Interstate Compact for Mutual Assistance. The agreement between the 54 territories and states allows for disaster or emergency assistance to be provided across state boundaries without a federal declaration of emergency. This will allow all states to work together and benefit from each other's resources, including the use of military personnel or emergency response equipment.

4. The Department of Banking is in the process of implementing a redesigned imaging and document management system. This enables the department to better manage the data it receives and better serve its customers by providing needed information faster.
5. The Pennsylvania State Police refurbished some older patrol vehicles rather than purchasing new patrol cars. The savings of refurbishing the first 15 cars was \$126,949. An additional 50 cars will be completed by the end of 1999-00 for an additional savings of \$425,000.



Examples of PRIME recommendations that will be completed in 2000-01 are shown below. These examples are highlighted in the respective agency presentations and identified by a PRIME logo.

1. The Department of Health is developing an E-Commerce system which will allow customers to apply for birth and death certificates on-line and electronically transmit the total application.
2. The Department of Aging will have all departmental program directives, information memorandums and technical assistance bulletins available for viewing on a computer display rather than paper copies to the department and the Area Agencies on Aging. This will provide for the electronic exchange of program information.
3. The Department of Insurance will provide an Internet application for insurance companies that want to expand or provide new types of insurance.
4. The Department of Transportation will continue to expand online titling and registration. This allows automobile dealers to provide titling and registration services at the point of sale, reducing paper processing and allowing the customer to obtain the needed documents faster.
5. The Department of Revenue will continue to integrate all business tax systems, (including sales, employer and corporation tax) through the Keystone Integrated Tax System.
6. The Department of Conservation and Natural Resources will revamp the conservation and recreation grant program to make the application process more streamlined and to provide faster assistance to local government and non-profit organizations.



Governor's Green Government Council

## Green Government

Two years ago, Governor Tom Ridge challenged Commonwealth agencies to lead Pennsylvanians toward a sustainable future. With membership from all agencies under the Governor's jurisdiction as well as voluntary participation from the Commonwealth's independent agencies, the Governor's Green Government Council (GGGC) is working to assure that the environmental impacts of agency actions are routinely considered in all governmental decision-making.

Under the co-chairmanship of the Secretaries of the Departments of General Services and Environmental Protection, the GGGC has taken significant steps towards lessening the environmental impact of their operations. Building green is a major focus since buildings leave a long-lasting imprint. Conventional US buildings use 40% of total energy supplies, derived primarily from fossil fuels which generate one third of carbon dioxide emissions and greenhouse gas.

- New Commonwealth buildings are being designed on green principles, including the Keystone Office Building in downtown Harrisburg, the Centers of Excellence laboratory for the Department of Environmental Protection in Summerdale, Department of Conservation and Natural Resources state park buildings, and new leased office space for the Department of Environmental Protection in Ebensburg.
  - The Department of General Services has adopted council-sponsored Guidelines for Creating High Performance Green Buildings and Model Green Office Leasing Specifications, which require lessors to consider brownfield redevelopment before any greenfield site proposals may be made.
  - The Department of General Services is also introducing a simple procurement process to enable agencies to acquire guaranteed energy saving services to retrofit existing buildings.
  - Eleven agencies, on whose behalf the Department of General Services conducted an on-line auction for electricity, will save approximately \$1.5 million while acquiring five percent of total electricity usage from more environmentally friendly sources.
- Other highlights include:
- Certification of all 2.1 million acres of Pennsylvania's public forestland as being managed in accordance with sustainable forestry practices, the largest acreage of certified forest in the United States.
  - Complete analysis by the Fish and Boat Commission of its wastewater discharges and treatment systems at all its hatcheries as the basis for implementing plans to reduce discharges by 25 percent.
  - A comprehensive paper reduction project by the Department of Revenue under which about 420,000 taxpayers and tax practitioners filed tax returns electronically, more than 41,000 taxpayers taking advantage of the direct deposit option, and 483,224 filing their taxes over the phone.
  - Doubling the recycling rate at state prisons which now recycle over 40% of their waste.
- For the next several years, the GGGC proposes to:
- Consolidate and expand projects in such operational areas as green building and energy efficiency, green procurement, recycling, clean fleets, and further initiatives for the acquisition of environmentally preferable electricity.
  - Establish a broader focus on the impacts of agencies' policies and procedures on the environment. The Department of Community and Economic Development is encouraging the redevelopment of brownfield sites through the Keystone Opportunity Zone program. Similarly, the Department of Education will consider green building principles as it updates its process for approving funding for school buildings.
  - Improve accountability by developing meaningful measures requiring collection efforts commensurate with the environmental impacts being addressed.



# Health Investment Plan

*“Making Pennsylvanians healthier should be our top priority”*

In 1998 Pennsylvania’s Attorney General joined the Attorneys General of 46 states, 5 territories and Commonwealths, and the District of Columbia, in the Tobacco Master Settlement Agreement (MSA) with the five major tobacco manufacturers representing almost 99% of the tobacco industry’s revenues. The MSA has no termination date and provides a perpetual reimbursement to states for the costs incurred as a result of tobacco use. Pennsylvania’s share of the MSA funds for the first 25 years of the agreement is in excess of \$11 billion. The Commonwealth is slated to receive annual payments of between \$397 million and \$459 million between 1999 and 2025. Annual computed adjustments to the amount Pennsylvania is to receive under the agreement will alter the actual amount the Commonwealth will receive. These adjustments will depend upon the levels of inflation and cigarette shipments in each year. This budget proposes to begin allocating annual tobacco settlement revenue in accordance with the principles and percentages outlined below.

Pennsylvania has positioned itself as a national leader by proposing that the use of the tobacco settlement proceeds be limited to initiatives designed to improve the health status of its citizens. The following five principles were developed to guide the Commonwealth’s use of the tobacco settlement proceeds:

- Make Pennsylvanians healthier.
- Set aside a portion of the funds so that future generations of Pennsylvanians can benefit from the settlement.
- Direct the settlement proceeds to programs and initiatives that can easily be adjusted given the likely fluctuation in payment amounts.
- Focus on fulfilling or enhancing State government’s existing service areas before creating new ones.
- Focus on initiatives that do not require the significant growth or expansion of government bureaucracies.

Citizen and health advocacy group input received through public hearings and stakeholder meetings was analyzed for consistency with the guiding principles and influenced the establishment of the following Health Investment Plan priorities and funding allocation percentages:

<p>➤ <b>Health Care Insurance for the Uninsured:</b> <b>40%</b> Subsidize health care insurance coverage, including pharmaceutical benefits, for uninsured adults with incomes under 200 percent of the Federal poverty level.</p> <p>Subsidize Medicaid coverage, including specialized services, for working Pennsylvanians with disabilities whose income is under 250 percent of the Federal poverty level.</p>	<p>➤ <b>Venture Capital:</b> <b>5%</b> Leverage private investment in start-up and early stage Pennsylvania companies that seek to improve the quality of life through innovations in health care, medicine, pharmaceuticals, health care related information technology, biotechnology and related fields.</p>
<p>➤ <b>Home and Community Based Care:</b> <b>15%</b> Expand Medicaid home and community-based waiver services for older Pennsylvanians as an alternative to nursing home care.</p>	<p>➤ <b>Uncompensated Care:</b> <b>10%</b> Reimburse hospitals for care provided to individuals with no or inadequate health care insurance, including case-by-case payments for extremely high cost procedures and hospital stays.</p>
<p>➤ <b>Tobacco Prevention Programs:</b> <b>10%</b> Invest in existing and new community-based prevention programs that are based on best practices for effective intervention from the national Centers for Disease Control.</p>	<p>➤ <b>Endowment Account:</b> <b>5%</b> Establish a separate account that can be used to maintain Pennsylvania’s commitment to health care spending in the event that the annual allocations cease or decrease to a level that the Governor and General Assembly agree must be augmented.</p>
<p>➤ <b>Tobacco Cessation Programs:</b> <b>5%</b> Enhance and expand existing cessation programs, including the use of smoking cessation pharmaceuticals to improve long-term “quit rates”.</p>	
<p>➤ <b>Broad-Based Health Research:</b> <b>10%</b> Fund health-related research proposals from Pennsylvania-based researchers. The proposals must</p>	
	<p><b>TOTAL</b> <b>100%</b></p>





---

# FEDERAL BLOCK GRANTS

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

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

In addition, three programs have been included in this presentation because the Federal government provides flexibility on the activities eligible for funding. These programs are the following: Workforce Investment (which replaces the Job Training Partnership), Innovative Education Program Strategies and Anti-Drug Abuse Programs.

The tables within this section provide information on the estimated amount to be received from the Federal Government and an estimated distribution of the funds by program within the block grant. Generally the amounts shown for administrative costs represent the amount allowable by the Federal government. The 1999-00 estimated block grant amounts reflect the current estimate of amounts available and, therefore, may be different from amounts appropriated.

The recommended distribution by program for 2000-01 is a preliminary proposal. Opportunities for public review and comment may result in modifications to the proposed distribution.

---



## SUMMARY OF FEDERAL BLOCK GRANTS

This table shows a summary by Federal block grant of 1998-99 expenditures, 1999-00 available and 2000-01 amounts budgeted as presented in the 2000-01 Governor's Executive Budget.

(Dollar Amounts in Thousands)

	1998-99 Actual Block	1999-00 Available Block	2000-01 Recommended Block
Community Services.....	\$ 23,070	\$ 24,535	\$ 26,535
Small Communities.....	75,282	75,825	81,075
Education.....	12,796	19,545	17,563
Maternal and Child Health.....	25,436	28,385	29,022
Preventive Health and Health Services.....	11,780	11,919	11,667
Substance Abuse.....	57,913	62,617	63,071
Workforce Investment.....	188,934 <sup>a</sup>	216,993 <sup>a</sup>	224,200
Child Care and Development Fund.....	217,828	273,215	294,528
Low Income Home Energy Assistance.....	75,790	111,613	90,135
Mental Health Services.....	12,025	12,025	16,342
Social Services.....	169,103	170,001	163,001
Temporary Assistance to Needy Families.....	617,403	632,100	628,160
Anti-Drug Abuse.....	43,570	49,373	50,462
<b>TOTAL.....</b>	<b>\$ 1,530,930</b>	<b>\$ 1,688,146</b>	<b>\$ 1,695,761</b>

<sup>a</sup> Actually appropriated as Job Training Partnership.



## 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 grant include Community Action, Senior Opportunities and Services, Community Food and Nutrition, Energy Conservation and Training, Evaluation and Technical Assistance.

Federal law requires that 90 percent of the funding be distributed to Community Action Agencies (CAAs). Five percent is allowed for administration and the remaining five percent is utilized for competitive projects. The 90 percent program monies are being granted to existing CAAs for operating costs and low-income energy assistance efforts, Pennsylvania Directors' 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, emergency assistance and homeless assistance.

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

(Dollar Amounts in Thousands)

Department / Appropriation	1998-99 Actual Block	1999-00 Available Block	2000-01 Recommended Block
<b>Community and Economic Development:</b>			
CSBG — Administration.....	\$ 690	\$ 1,035	\$ 1,035
CSBG — Community Services.....	22,380	23,500	25,500
TOTAL.....	<u>\$ 23,070</u>	<u>\$ 24,535</u>	<u>\$ 26,535</u>

## 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 provides funding to rehabilitate Pennsylvania's 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 be used 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	1998-99 Actual Block	1999-00 Available Block	2000-01 Recommended Block
<b>Community and Economic Development:</b>			
SCDBG — Administration.....	\$ 647	\$ 825	\$ 1,075
SCDBG — Small Communities.....	74,635	75,000	80,000
<b>TOTAL.....</b>	<b>\$ 75,282</b>	<b>\$ 75,825</b>	<b>\$ 81,075</b>





## Education

The Improving America's Schools Act of 1994 reauthorized the Education block grant as Innovative Education Program Strategies. These funds are used for technical assistance and Statewide educational reform activities to provide innovative targeted educational assistance to schools. Funds may be used for the acquisition and enhancement of technology related to the implementation of school-based reform programs, training and professional development programs, instructional materials and assessments, library services and materials, literacy programs, gifted and talented programs, and services to private school students.

Federal law provides that the Commonwealth must distribute at least 85 percent of the funds to local education agencies. The remaining 15 percent is available to the State for targeted assistance and no more than 25 percent of this amount may be used for State administrative costs.

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

(Dollar Amounts in Thousands)

Department / Appropriation	1998-99 Actual Block	1999-00 Available Block	2000-01 Recommended Block
<b>Education:</b>			
ESEA Title VI — Administration/State.....	\$ 1,904 <sup>a</sup>	\$ 4,122 <sup>a</sup>	\$ 3,259 <sup>a</sup>
<b>School Districts:</b>			
ESEA Title VI — School District Distribution	\$ 10,892	\$ 15,423	\$ 14,304
<b>TOTAL.....</b>	<b>\$ 12,796</b>	<b>\$ 19,545</b>	<b>\$ 17,563</b>

<sup>a</sup> Includes carryover



## Maternal and Child Health

This block grant provides funds for planning, promoting, and evaluating health care for pregnant women, mothers, infants, and children with special health care needs. This is accomplished by providing health services for mothers and children who do not otherwise have access to adequate health care and nutritional resources. Administrative costs cannot exceed ten percent.

(Dollar Amounts in Thousands)

Department / Appropriation	1998-99 Actual Block	1999-00 Available Block	2000-01 Recommended Block
<b>Executive Offices:</b>			
MCHSBG — Communities that Care.....	\$ 0	\$ 200	\$ 200
<b>Health:</b>			
MCHSBG — Administration and Operation..	\$ 12,616	\$ 13,207	\$ 13,520
MCHSBG — Program Services.....	12,820	14,978	15,302
Subtotal.....	\$ 25,436	\$ 28,185	\$ 28,822
TOTAL.....	\$ 25,436	\$ 28,385	\$ 29,022



## Preventive Health and Health Services

This block grant provides funds for preventive health services. Programs include activities to affect improvements in health status through achievement of the National Year 2000 Health Objectives; programs for community and school based fluoridation; feasibility studies and planning for emergency medical services systems and the establishment, expansion and improvement of such systems; services to victims of sex offenses; and related planning, administration and educational activities. Administration is limited to ten percent.

(Dollar Amounts in Thousands)

Department / Appropriation	1998-99 Actual Block	1999-00 Available Block	2000-01 Recommended Block
<b>Executive Offices:</b>			
PHHSBG — Communities that Care.....	\$ 548	\$ 0	\$ 0
<b>Health:</b>			
PHHSBG — Administration and Operation.....	\$ 3,218	\$ 4,366	\$ 4,181
PHHSBG — Block Program Services.....	5,638	5,050	4,983
Subtotal.....	\$ 8,856	\$ 9,416	\$ 9,164
<b>Public Welfare:</b>			
PHHSBG — Domestic Violence.....	\$ 150	\$ 150	\$ 150
PHHSBG — Rape Crisis .....	2,226	2,353	2,353
Subtotal.....	\$ 2,376	\$ 2,503	\$ 2,503
<b>TOTAL.....</b>	<b>\$ 11,780</b>	<b>\$ 11,919</b>	<b>\$ 11,667</b>



## Substance Abuse

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

(Dollar Amounts in Thousands)

Department / Appropriation	1998-99 Actual Block	1999-00 Available Block	2000-01 Recommended Block
<b>Executive Offices:</b>			
SABG — Communities that Care.....	\$ 0	\$ 200	\$ 200
<b>Corrections:</b>			
SABG — Drug and Alcohol Programs.....	\$ 2,100	\$ 2,100	\$ 2,100
<b>Health:</b>			
SABG — Administration and Operation.....	\$ 4,471	\$ 4,798	\$ 5,254
SABG — Drug and Alcohol Services.....	49,359	53,536	53,534
Subtotal.....	\$ 53,830	\$ 58,334	\$ 58,788
<b>Public Welfare:</b>			
SABG — Homeless Services.....	\$ 1,983	\$ 1,983	\$ 1,983
TOTAL.....	\$ 57,913	\$ 62,617	\$ 63,071



## Workforce Investment

The Federal Workforce Investment Act (WIA) of 1998 will replace Job Training Partnership Act (JTPA), effective July 1, 2000 and streamline the delivery of job training services. WIA reforms Federal job training programs and creates a new comprehensive workforce investment system governing programs of job training, adult education and literacy, and vocational rehabilitation, replacing them with streamlined and more flexible components of workforce development systems. The act provides for an orderly transition from JTPA to the new programs. In addition, the law gives states and individuals more authority and responsibility for job training needs and decisions.

Pennsylvania will implement the act through Team Pennsylvania Human Resources Investment Council (HRIC) – a public-private partnership among businesses, government, communities and economic developers to provide resources needed for businesses in Pennsylvania. The Human Resources Investment Council is comprised of five State agencies: Departments of Aging, Community and Economic Development, Education, Labor and Industry and Public Welfare with private sector members from the State's employers, educators, labor unions, and community leaders. WIA emphasizes job placement over job training, with customers empowered to make informed choices about their career path, education and training they need to reach their career goals. The HRIC will coordinate the provision of services and use of funds and resources among state agencies consistent with the laws and regulations governing the programs.

Title I of WIA establishes a one-stop career center system, state and local workforce investment boards, and a unified strategic five-year plan. Title I also provides funding for the programs that replace JTPA. Funding for numerous career service programs will be consolidated into three basic grants: adult employment and training, disadvantaged youth employment and training, and dislocated workers.

Eighty-five percent of the adult and youth employment and training funds are distributed to local workforce investment boards. Fifteen percent of the adult and youth employment and training funds can be used for Statewide activities of which five percent may be used for administration. Adult program activities include, but are not limited to, basic skills training, occupational skills training, on-the-job training, customized training, skill upgrade and retraining and supportive services. Training is available for those who met intensive services eligibility, but were unable to find employment.

At least 30 percent of the funds for youth employment and training must be used for services to out-of-school youth. Activities for youth programs, include, but are not limited to, study skills training and instruction leading to completion of secondary school, alternative secondary school services, summer employment directly linked to academic and occupational learning, and occupational skill training.

Sixty percent of dislocated worker funds must go to local workforce investment boards. Twenty-five percent will be used for rapid response activities and fifteen percent may be used for state-wide activities. Program activities for dislocated workers include, but are not limited to, intensive services available for unemployed individuals who have been unable to obtain jobs through core services. Training services are available for those individuals who met intensive services eligibility, but were unable to find employment and those defined as incumbent workers.

WIA Title II reauthorizes Federal Adult Education and Literacy programs for Federal fiscal years 1999-2003. WIA Title III amends the Federal Wagner Peyser Act to require the Federal Employment Service/Job Statistics programs to become part of the one stop career system and establishes a national employment statistics initiative. WIA Title IV reauthorizes the Federal Vocational Rehabilitation Act programs through Federal fiscal year 2003 and links these programs to the workforce development system. Title V contains general provisions that include authority for unified planning, incentive grants for States exceeding performance levels, the Adult Education Act and the Carl D. Perkins Vocational and Technical Education Act.

(Dollar Amounts in Thousands)

Department / Appropriation	1998-99 Actual Block	1999-00 Available Block	2000-01 Recommended Block
<b>Executive Offices:</b>			
JTPA — Program Accountability.....	\$ 368	\$ 400	\$ 0
WIA — Program Accountability.....	0	0	400
Subtotal.....	\$ 368	\$ 400	\$ 400
<b>Corrections:</b>			
JTPA — Correctional Education.....	\$ 168	\$ 184	\$ 0



## Workforce Investment (continued)

(Dollar Amounts in Thousands)

Department / Appropriation	1998-99 Actual Block	1999-00 Available Block	2000-01 Recommended Block
<b>Education:</b>			
JTPA — Linkages.....	\$ 430	\$ 691	\$ 0
JTPA — Educational Training.....	3,307	3,310	0
Subtotal.....	\$ 3,737	\$ 4,001	\$ 0
<b>Labor and Industry:</b>			
JTPA — Administration.....	\$ 4,685	\$ 6,873	\$ 0
JTPA — Grants to Service Delivery Areas...	47,752	60,000	0
JTPA — Summer Youth .....	51,888	45,000	0
JTPA — Incentive Grants.....	2,726	3,000	0
JTPA — Older Workers.....	2,593	2,900	0
JTPA — Dislocated Workers.....	75,017	94,000	0
JTPA — Veterans' Employment.....	0	635	0
WIA ----Administration.....	0	0	6,800
WIA ----Statewide Activities.....	0	0	11,000
WIA ----Adult Employment & Training.....	0	0	60,000
WIA ----Youth Employment & Training.....	0	0	52,000
WIA ----Dislocated Workers.....	0	0	94,000
Subtotal.....	\$ 184,661	\$ 212,408	\$ 223,800
<b>TOTAL.....</b>	<b>\$ 188,934</b>	<b>\$ 216,993</b>	<b>\$ 224,200</b>



## Child Care and Development Fund

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

(Dollar Amounts in Thousands)

Department / Appropriation	1998-99 Actual Block	1999-00 Available Block	2000-01 Recommended Block
<b>Community and Economic Development:</b>			
CCDFBG — Child Care Start-Up.....	\$ 0	\$ 0	\$ 500
<b>Public Welfare:</b>			
CCDFBG — Administration.....	\$ 2,858	\$ 2,904	\$ 3,854
CCDFBG — Cash Grants.....	131,430	174,784	158,205
CCDFBG — Family Centers.....	4,944	0	0
CCDFBG — Child Care .....	76,725	93,198	130,709
CCDFBG — School Age.....	1,871	2,329	1,260
Subtotal.....	\$ 217,828	\$ 273,215	\$ 294,028
TOTAL.....	\$ 217,828	\$ 273,215	\$ 294,528



## 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 through cash assistance and to alleviate crisis situations. The Department of Public Welfare's energy assistance program receives supplemental funding from the Energy Conservation and Assistance Fund. The fund provided \$1,699,000 in 1998-99, \$1,600,000 in 1999-00, and is projected to provide \$1,300,000 in 2000-01 for the Low-Income Home Energy Assistance Program (LIHEAP).

(Dollar Amounts in Thousands)

Department / Appropriation	1998-99 Actual Block	1999-00 Available Block	2000-01 Recommended Block
<b>Community and Economic Development:</b>			
LIHEABG — Administration.....	\$ 249	\$ 450	\$ 450
LIHEABG — Weatherization Program.....	10,400	12,000	12,000
Subtotal.....	\$ 10,649	\$ 12,450	\$ 12,450
<b>Public Welfare:</b>			
LIHEABG — Administration.....	\$ 5,272	\$ 7,642	\$ 6,059
LIHEABG — Families and Individuals.....	59,869	91,521	71,626
Subtotal.....	\$ 65,141	\$ 99,163	\$ 77,685
<b>TOTAL.....</b>	<b>\$ 75,790</b>	<b>\$ 111,613</b>	<b>\$ 90,135</b>





## 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	1998-99 Actual Block	1999-00 Available Block	2000-01 Recommended Block
<b>Public Welfare:</b>			
MHSBG — Administration.....	\$ 98	\$ 98	\$ 98
MHSBG — Community Mental Health.....	11,927	11,927	16,244
<b>TOTAL.....</b>	<b>\$ 12,025</b>	<b>\$ 12,025</b>	<b>\$ 16,342</b>



## Social Services

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

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

(Dollar Amounts in Thousands)

Department / Appropriation	1998-99 Actual Block	1999-00 Available Block	2000-01 Recommended Block
<b>Public Welfare:</b>			
SSBG — Administration.....	\$ 3,690	\$ 3,691	\$ 3,691
SSBG — County Assistance .....	6,262	6,262	6,262
SSBG — Basic Institutional Program.....	0	1,056	1,056
SSBG — Community Mental Health .....	14,808	14,808	14,808
SSBG — Community Mental Retardation....	13,984	13,984	13,984
SSBG — Early Intervention.....	2,195	2,195	2,195
SSBG — Child Welfare.....	12,021	12,021	12,021
SSBG — Child Care .....	30,977	30,977	30,977
SSBG — Domestic Violence.....	1,205	1,205	1,205
SSBG — Rape Crisis.....	634	634	634
SSBG — Family Planning.....	3,845	3,845	3,845
SSBG — Legal Services.....	5,049	5,049	5,049
SSBG — Homeless Services.....	2,183	2,183	2,183
SSBG — Services to Persons with Disabilities.....	120	120	120
SSBG — Attendant Care.....	6,971	6,971	6,971
Subtotal.....	\$ 103,944	\$ 105,001	\$ 105,001
<b>Community and Economic Development:</b>			
Empowerment Zones and Enterprise Communities — SSBG.....	\$ 65,159	\$ 65,000 <sup>a</sup>	\$ 58,000 <sup>a</sup>
TOTAL.....	\$ 169,103	\$ 170,001	\$ 163,001

<sup>a</sup> Estimated carryover



## Temporary Assistance to Needy Families

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

(Dollar Amounts in Thousands)

Department / Appropriation	1998-99 Actual Block	1999-00 Available Block	2000-01 Recommended Block
<b>Executive Offices:</b>			
<i>Office of Inspector General</i>			
TANFBG — Program Accountability.....	\$ 2,455	\$ 2,000	\$ 1,835
<i>Juvenile Court Judges Commission</i>			
TANFBG — Juvenile Probation Emergency Assistance Services.....	2,000	2,000	2,000
Subtotal.....	\$ 4,455	\$ 4,000	\$ 3,835
<b>Community and Economic Development:</b>			
TANFBG — Housing Assistance	\$ 0	\$ 0	\$ 5,000
<b>Higher Education Assistance Agency:</b>			
TANFBG — Education Opportunities	\$ 0	\$ 0	\$ 1,500
<b>Public Welfare:</b>			
TANFBG — Administration.....	\$ 4,649	\$ 4,724	\$ 4,724
TANFBG — Information Systems.....	2,456	2,788	3,770
TANFBG — County Administration — Statewide.....	3,467	5,595	2,802
TANFBG — County Assistance Offices.....	45,261	45,361	46,241
TANFBG — New Directions.....	33,136	64,100	63,129
TANFBG — Cash Grants.....	392,023	299,699	286,359
TANFBG — Child Welfare.....	131,100	200,000	200,000
TANFBG — Domestic Violence.....	500	500	500
TANFBG — Rape Crisis.....	300	300	300
Subtotal.....	\$ 612,892	\$ 623,067	\$ 607,825
<b>Transportation:</b>			
TANFBG — Access to Jobs.....	\$ 0	\$ 5,033	\$ 10,000
TANFBG — Rural Transportation.....	56	0	0
Subtotal.....	\$ 56	\$ 5,033	\$ 10,000
<b>TOTAL.....</b>	<b>\$ 617,403</b>	<b>\$ 632,100</b>	<b>\$ 628,160</b>



## 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. The allocation made to Pennsylvania is administered by the Department of Education and the Commission on Crime and Delinquency, with the majority of these funds going to local education agencies.

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

(Dollar Amounts in Thousands)

Department / Appropriation	1998-99 Actual Block	1999-00 Available Block	2000-01 Recommended Block
<b>DRUG CONTROL AND SYSTEM IMPROVEMENT</b>			
<b>FORMULA GRANT PROGRAM (DCSI)</b>			
<b>Executive Offices:</b>			
<i>Juvenile Court Judges Commission</i>			
DCSI — Enhanced Data Collection.....	\$ 0	\$ 342 <sup>a</sup>	\$ 228 <sup>a</sup>
DCSI — Balanced and Restorative Justice.....	48 <sup>a</sup>	32 <sup>a</sup>	0
Subtotal.....	\$ 48	\$ 374	\$ 228
<i>Commission on Crime and Delinquency</i>			
DCSI — Administration.....	\$ 1,132	\$ 1,600	\$ 1,600
DCSI — Program Grants.....	19,468	24,000	24,000
DCSI — Criminal History Records.....	10	10	10
Subtotal.....	\$ 20,610	\$ 25,610	\$ 25,610
<b>Lieutenant Governor:</b>			
<i>Board of Pardons</i>			
DCSI — Automated Technology — JNET Connection.....	\$ 230 <sup>a</sup>	\$ 0	\$ 0
<b>Aging:</b>			
DCSI — Older Adult Protective Services Act.....	\$ 108 <sup>b</sup>	\$ 150 <sup>a</sup>	\$ 50 <sup>a</sup>
<b>Attorney General:</b>			
DCSI — Elder Abuse Investigation Training.....	\$ 61 <sup>a</sup>	\$ 35 <sup>a</sup>	\$ 0
DCSI — Elder Abuse Advisory Board.....	6 <sup>a</sup>	40 <sup>a</sup>	20 <sup>a</sup>
DCSI — Child Sexual Exploitation Prevention.....	19 <sup>a</sup>	47 <sup>a</sup>	25 <sup>a</sup>
DCSI — Monitoring Prescription Abuse.....	112 <sup>a</sup>	96 <sup>a</sup>	0
DCSI — Financial Investigations and Moneyhandling.....	275 <sup>a</sup>	390 <sup>a</sup>	213 <sup>a</sup>
DCSI — Organized Crime and Drug Enforcement.....	187 <sup>a</sup>	563 <sup>a</sup>	282 <sup>a</sup>
Subtotal.....	\$ 660	\$ 1,171	\$ 540



## Anti-Drug Abuse (continued)

(Dollar Amounts in Thousands)

Department / Appropriation	1998-99 Actual Block	1999-00 Available Block	2000-01 Recommended Block
<b>Corrections:</b>			
DCSI — Employment Opportunities.....	\$ 0	\$ 698 <sup>a</sup>	\$ 750 <sup>a</sup>
DCSI — Tracking System.....	47 <sup>a</sup>	0	0
DCSI — Victim Notification.....	25 <sup>a</sup>	0	0
DCSI — Therapeutic Community.....	81 <sup>a</sup>	18 <sup>a</sup>	0
DCSI — Drug Interdiction.....	33 <sup>a</sup>	0	0
DCSI — Inmate Records.....	72 <sup>a</sup>	110 <sup>a</sup>	50 <sup>a</sup>
DCSI — Ionscan.....	139 <sup>a</sup>	39 <sup>a</sup>	0
DCSI — Video Conferencing.....	0	35 <sup>a</sup>	0
DCSI — Violent Crime Victims.....	86 <sup>a</sup>	37 <sup>a</sup>	0
DCSI — Data Information Transfer.....	0	257 <sup>a</sup>	150 <sup>a</sup>
DCSI — Electronic Inmate File System.....	0	169 <sup>a</sup>	100 <sup>a</sup>
DCSI — Computer Learning Center.....	40 <sup>a</sup>	0	0
Subtotal.....	\$ 523	\$ 1,363	\$ 1,050
<b>Community and Economic Development:</b>			
DCSI — Regional Police Peer Program.....	\$ 10 <sup>a</sup>	\$ 5 <sup>a</sup>	\$ 0
<b>Probation and Parole:</b>			
DCSI — County Adult Probation Automated System.....	\$ 1 <sup>a</sup>	\$ 0	\$ 0
DCSI — Office of Victim Advocate Automation Enhancement.....	67 <sup>a</sup>	119 <sup>a</sup>	0
DCSI — Office of Victim Advocate.....	16 <sup>a</sup>	0	0
DCSI — Digital Photograph System.....	0	556 <sup>a</sup>	0
DCSI — Intensive Supervision Units.....	619 <sup>a</sup>	0	0
DCSI — Automated File Location System.....	75 <sup>a</sup>	0	0
DCSI — County SAVE.....	214 <sup>a</sup>	933 <sup>a</sup>	697 <sup>a</sup>
DCSI — Residential Substance Abuse Treatment Aftercare....	0	395 <sup>a</sup>	351 <sup>a</sup>
DCSI — Assessment Board.....	385 <sup>a</sup>	395 <sup>a</sup>	0
Subtotal.....	\$ 1,377	\$ 2,398	\$ 1,048
<b>Health:</b>			
DCSI — Adult Offender Treatment.....	\$ 110 <sup>a</sup>	\$ 422 <sup>a</sup>	\$ 930 <sup>a</sup>
<b>Military and Veterans Affairs:</b>			
DCSI — Law Enforcement Training.....	\$ 138 <sup>a</sup>	\$ 0	\$ 0
<b>Public Welfare:</b>			
DCSI — Mental Health Initiatives.....	\$ 42 <sup>a</sup>	\$ 239 <sup>a</sup>	\$ 0
DCSI — YDC/YFC Review and Assessment.....	0	75 <sup>a</sup>	0
DCSI — Training Academy.....	0	0	35 <sup>a</sup>
DCSI — Medical and Psychiatric Services Assessment.....	0	24 <sup>a</sup>	0
Subtotal.....	\$ 42	\$ 338	\$ 35



## Anti-Drug Abuse (continued)

(Dollar Amounts in Thousands)

Department / Appropriation	1998-99 Actual Block	1999-00 Available Block	2000-01 Recommended Block
<b>State Police:</b>			
DCSI — Ballistics.....	\$ 0	\$ 365 <sup>a</sup>	\$ 365 <sup>a</sup>
DCSI — Aerial Surveillance Equipment.....	0	600 <sup>a</sup>	0
DCSI — Robotic DNA Sampling.....	0	113 <sup>a</sup>	113 <sup>a</sup>
DCSI — AFIS Upgrade.....	800 <sup>a</sup>	0 <sup>a</sup>	0
Subtotal.....	<u>\$ 800</u>	<u>\$ 1,078</u>	<u>\$ 478</u>
TOTAL.....	<u>\$ 20,610</u>	<u>\$ 25,610</u>	<u>\$ 25,610</u>
<b>SAFE AND DRUG FREE SCHOOLS AND COMMUNITIES (DFSC)</b>			
<b>Executive Offices:</b>			
<i>Commission on Crime and Delinquency</i>			
DFSC — Partnership for Children.....	\$ 50 <sup>a</sup>	\$ 0	\$ 0
DFSC — Special Programs.....	4,485	5,200	5,200
Subtotal.....	<u>\$ 4,535</u>	<u>\$ 5,200</u>	<u>\$ 5,200</u>
<b>Education:</b>			
DFSC — Administration.....	\$ 1,316	\$ 1,591	\$ 2,680
DFSC — School Districts.....	17,159	16,972	16,972
Subtotal.....	<u>\$ 18,475</u>	<u>\$ 18,563</u>	<u>\$ 19,652</u>
<b>Health:</b>			
DFSC — Special Programs for Student Assistance Program.....	\$ 1,125 <sup>a</sup>	\$ 1,125 <sup>a</sup>	\$ 1,125 <sup>a</sup>
<b>Military and Veterans Affairs:</b>			
DFSC — Scotland School for Veterans Children.....	\$ 1 <sup>a</sup>	\$ 2 <sup>a</sup>	\$ 2 <sup>a</sup>
<b>Public Welfare:</b>			
DFSC — Special Programs/Juvenile Aftercare Services.....	\$ 1,225 <sup>a</sup>	\$ 1,225 <sup>a</sup>	\$ 1,225 <sup>a</sup>
DFSC — Special Programs/Domestic Violence.....	425 <sup>a</sup>	425 <sup>a</sup>	425 <sup>a</sup>
DFSC — Special Programs/Rape Crisis.....	142 <sup>a</sup>	142 <sup>a</sup>	142 <sup>a</sup>
Subtotal.....	<u>\$ 1,792</u>	<u>\$ 1,792</u>	<u>\$ 1,792</u>
TOTAL.....	<u>\$ 22,960</u>	<u>\$ 23,763</u>	<u>\$ 24,852</u>
GRAND TOTAL ALL PROGRAMS.....	<u>\$ 43,570</u>	<u>\$ 49,373</u>	<u>\$ 50,462</u>

<sup>a</sup> Subgrants not added to total to avoid double counting.

<sup>b</sup> Subgrant in the Lottery Fund 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 that are detailed below exclude those items that are strictly educational and materials that are offered for public sale such as the "Game News" and "Pennsylvania Angler and Boater".

Department	(Dollar Amounts in Thousands)	
	1999-00 Estimate	2000-01 Estimate
Governor's Office.....	\$ 897	\$ 921
Executive Offices.....	247	257
Lieutenant Governor's Office.....	68	70
Aging.....	153	157
Agriculture.....	238	242
Banking.....	33	34
Civil Service Commission.....	48	48
Community and Economic Development.....	405	420
Conservation and Natural Resources.....	213	224
Corrections.....	210	255
Education.....	295	300
Emergency Management Agency.....	99	102
Environmental Protection.....	2,219	2,240
Fish and Boat Commission.....	100	103
Game Commission.....	331	338
General Services.....	61	62
Health.....	255	259
Historical and Museum Commission.....	105	98
Insurance.....	167	172
Labor and Industry.....	401	412
Liquor Control Board.....	180	158
Military and Veterans Affairs.....	173	173
Milk Marketing Board.....	165	173
Board of Probation and Parole.....	63	67
Public Television Network.....	10	11
Public Utility Commission.....	159	199
Public Welfare.....	315	332
Revenue.....	311	328
Securities Commission.....	28	32
State.....	222	237
State Police.....	203	210
Transportation.....	916	971
<b>TOTAL.....</b>	<b>\$ 9,290</b>	<b>\$ 9,605</b>

The Commonwealth also spends funds in these areas:

- *Lottery sales promotion* - \$18.5 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 2000-01. These expenditures are expected to generate approximately \$950 million in lottery revenues during 2000-01.
- *Economic development* - A total of \$38.3 million is budgeted in the General Fund to promote tourism and economic development. This will contribute to an estimated \$20.7 billion in 2000-01 travel revenues to Pennsylvania and supports the State's aggressive effort to preserve and create jobs.





Governor's Executive Budget

*PROGRAM  
BUDGET  
SUMMARY*





---

# COMMONWEALTH PROGRAM BUDGET

This section summarizes the 2000-01 fiscal year budget by major revenue source and major program area of expenditure. This summary includes programs funded from the General Fund, the ten budgeted special revenue funds, Federal funds, and other revenues including augmentations, restricted receipts and revenues, and other special revenue funds.

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



[Faint, illegible text, possibly bleed-through from the reverse side of the page]

# Program Budget Summary

## SUMMARY OF REVENUES AND EXPENDITURES FOR THE OPERATING PROGRAM

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

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>BEGINNING BALANCES</b>							
General Fund (a).....	\$ 265,312	\$ 447,536	\$ 443,879	.....	.....	.....	.....
Special Funds (b).....	517,805	532,184	872,912	\$ 815,515	\$ 821,123	\$ 709,333	\$ 501,139
Total.....	\$ 783,117	\$ 979,720	\$ 1,316,791	\$ 815,515	\$ 821,123	\$ 709,333	\$ 501,139
<b>REVENUES</b>							
General Fund:							
Corporation Taxes.....	\$ 1,724,945	\$ 1,739,700	\$ 1,792,000	\$ 1,694,000	\$ 1,712,000	\$ 1,731,000	\$ 1,782,930
Personal Income Tax.....	6,683,575	6,995,700	7,323,900	7,687,300	8,030,600	8,384,200	8,776,200
Sales and Use Taxes.....	6,605,756	6,985,200	7,254,800	7,621,900	7,928,300	8,215,600	8,497,100
All Other Revenues/Taxes.....	4,212,379	4,118,100	4,227,000	4,453,000	4,601,000	4,805,900	5,018,800
Less Refunds.....	-644,000	-685,000	-700,000	-725,000	-760,000	-800,000	-840,000
Proposed Tax Cuts.....	0	0	-643,500	-356,400	-481,500	-609,100	-739,300
Total General Fund.....	\$ 18,582,655	\$ 19,153,700	\$ 19,254,200	\$ 20,374,800	\$ 21,030,400	\$ 21,727,600	\$ 22,495,730
Special Funds.....	3,070,463	3,507,305	3,571,573	3,656,049	3,677,086	3,645,297	3,527,608
Federal Funds.....	10,130,931	11,317,050	11,789,592	11,694,508	11,684,822	11,779,579	11,868,252
Other Funds.....	4,753,550	4,980,349	5,073,490	5,073,278	5,104,397	5,129,389	5,125,034
Total Revenues and Balances.....	\$ 37,320,716	\$ 39,938,124	\$ 41,005,646	\$ 41,614,150	\$ 42,317,828	\$ 42,991,198	\$ 43,517,763
<b>PROGRAM EXPENDITURES</b>							
Direction and Supportive							
Services.....	\$ 1,442,601	\$ 1,543,146	\$ 1,594,052	\$ 1,616,295	\$ 1,638,145	\$ 1,657,518	\$ 1,676,673
Protection of Persons and Property.....							
Education.....	3,734,755	4,471,516	4,586,182	4,717,325	4,806,137	4,864,453	4,692,175
Health and Human Services.....	9,486,454	10,034,597	10,165,131	10,266,698	10,291,765	10,267,332	10,284,794
Economic Development.....	15,580,426	16,122,019	17,190,522	17,708,456	18,159,990	18,666,161	19,135,252
Transportation and Communications.....	1,777,809	2,104,270	2,093,367	2,030,765	2,019,336	2,008,129	1,950,889
Recreation and Cultural Enrichment.....	3,712,207	3,933,529	3,997,928	3,915,755	3,942,922	3,969,571	4,009,117
General Salary Increase.....	469,652	565,424	542,957	535,594	541,890	550,512	526,989
Less General Fund Lapses.....	0	0	0	0	0	0	0
Less Special Fund Lapses.....	-118,356	-200,000	0	0	0	0	0
Total Operating Expenditures.....	\$ 36,085,548	\$ 38,543,001	\$ 40,170,139	\$ 40,790,888	\$ 41,400,185	\$ 41,983,676	\$ 42,275,889
Transfer to Tax Stabilization Reserve Fund.....							
	-255,448	-78,332	-2,999	-321	-31,247	-75,957	-143,008
<b>ENDING BALANCES</b>							
General Fund.....	\$ 447,536	\$ 443,879	\$ 16,993	\$ 1,818	\$ 177,063	\$ 430,426	\$ 810,377
Special Funds (b).....	532,184	872,912	815,515	821,123	709,333	501,139	288,489
Total.....	\$ 979,720	\$ 1,316,791	\$ 832,508	\$ 822,941	\$ 886,396	\$ 931,565	\$ 1,098,866

(a) Balances are not carried forward beyond 2001-02.

(b) Includes Lottery Fund reserve.



# Program Budget Summary

## Seven Year Summary of Commonwealth Programs

The following is a summary for the seven Commonwealth Programs of 1998-99 actual expenditures, 1999-00 amounts available, 2000-01 amounts budgeted and future year estimates for all the operating funds and capital bond authorizations as presented in the 2000-01 Governor's Executive Budget. A breakdown of each Commonwealth Program by Category and Subcategory is shown on subsequent pages.

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>Direction and Supportive Services</b>							
General Fund.....	\$ 673,257	\$ 769,326	\$ 837,690	\$ 850,447	\$ 863,081	\$ 872,514	\$ 881,096
Special Funds.....	328,484	300,487	290,013	290,212	291,096	291,992	292,898
Federal Funds.....	9,796	9,243	9,662	9,681	9,685	9,689	9,694
Other Funds.....	431,064	464,090	456,687	465,955	474,283	483,323	492,985
<b>Total Operating.....</b>	<b>\$ 1,442,601</b>	<b>\$ 1,543,146</b>	<b>\$ 1,594,052</b>	<b>\$ 1,616,295</b>	<b>\$ 1,638,145</b>	<b>\$ 1,657,518</b>	<b>\$ 1,676,673</b>
Capital Bond Authorizations.....	\$ 12,463	\$ 25,200	\$ 17,748	\$ 20,753	\$ 21,973	\$ 23,194	\$ 24,415
<b>Program Total.....</b>	<b>\$ 1,455,064</b>	<b>\$ 1,568,346</b>	<b>\$ 1,611,800</b>	<b>\$ 1,637,048</b>	<b>\$ 1,660,118</b>	<b>\$ 1,680,712</b>	<b>\$ 1,701,088</b>
<b>Protection of Persons and Property</b>							
General Fund.....	\$ 2,054,462	\$ 2,430,417	\$ 2,375,229	\$ 2,487,300	\$ 2,559,676	\$ 2,613,601	\$ 2,556,997
Special Funds.....	431,168	498,947	673,273	686,313	702,478	710,546	631,796
Federal Funds.....	293,831	483,208	471,224	461,612	455,969	455,432	455,333
Other Funds.....	955,294	1,058,944	1,066,456	1,082,100	1,088,014	1,084,874	1,048,049
<b>Total Operating.....</b>	<b>\$ 3,734,755</b>	<b>\$ 4,471,516</b>	<b>\$ 4,586,182</b>	<b>\$ 4,717,325</b>	<b>\$ 4,806,137</b>	<b>\$ 4,864,453</b>	<b>\$ 4,692,175</b>
Capital Bond Authorizations.....	\$ 60,482	\$ 183,689	\$ 54,402	\$ 66,980	\$ 69,897	\$ 73,138	\$ 76,324
<b>Program Total.....</b>	<b>\$ 3,795,237</b>	<b>\$ 4,655,205</b>	<b>\$ 4,640,584</b>	<b>\$ 4,784,305</b>	<b>\$ 4,876,034</b>	<b>\$ 4,937,591</b>	<b>\$ 4,768,499</b>
<b>Education</b>							
General Fund.....	\$ 8,028,387	\$ 8,206,677	\$ 8,279,795	\$ 8,381,696	\$ 8,406,612	\$ 8,380,432	\$ 8,396,044
Special Funds.....	9,292	10,233	10,925	11,607	12,458	13,391	14,410
Federal Funds.....	858,199	1,199,864	1,257,429	1,257,429	1,255,929	1,255,929	1,255,929
Other Funds.....	590,576	617,823	616,982	615,966	616,766	617,580	618,411
<b>Total Operating.....</b>	<b>\$ 9,486,454</b>	<b>\$ 10,034,597</b>	<b>\$ 10,165,131</b>	<b>\$ 10,266,698</b>	<b>\$ 10,291,765</b>	<b>\$ 10,267,332</b>	<b>\$ 10,284,794</b>
Capital Bond Authorizations.....	\$ 30,164	\$ 804,245	\$ 36,497	\$ 26,837	\$ 28,415	\$ 29,994	\$ 31,573
<b>Program Total.....</b>	<b>\$ 9,516,618</b>	<b>\$ 10,838,842</b>	<b>\$ 10,201,628</b>	<b>\$ 10,293,535</b>	<b>\$ 10,320,180</b>	<b>\$ 10,297,326</b>	<b>\$ 10,316,367</b>
<b>Health and Human Services</b>							
General Fund.....	\$ 6,226,982	\$ 6,555,702	\$ 6,873,482	\$ 7,329,490	\$ 7,641,143	\$ 7,979,105	\$ 8,341,763
Special Funds.....	627,207	646,912	944,438	1,009,071	1,094,891	1,157,104	1,169,084
Federal Funds.....	7,539,716	7,882,317	8,230,807	8,265,809	8,314,249	8,414,255	8,502,599
Other Funds.....	1,186,521	1,037,088	1,141,795	1,104,086	1,109,707	1,115,697	1,121,806
<b>Total Operating.....</b>	<b>\$ 15,580,426</b>	<b>\$ 16,122,019</b>	<b>\$ 17,190,522</b>	<b>\$ 17,708,456</b>	<b>\$ 18,159,990</b>	<b>\$ 18,666,161</b>	<b>\$ 19,135,252</b>
Capital Bond Authorizations.....	\$ 21,308	\$ 19,574	\$ 5,712	\$ 10,776	\$ 11,410	\$ 12,044	\$ 12,678
<b>Program Total.....</b>	<b>\$ 15,601,734</b>	<b>\$ 16,141,593</b>	<b>\$ 17,196,234</b>	<b>\$ 17,719,232</b>	<b>\$ 18,171,400</b>	<b>\$ 18,678,205</b>	<b>\$ 19,147,930</b>



# Program Budget Summary

## Seven Year Summary of Commonwealth Programs

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>Economic Development</b>							
General Fund.....	\$ 663,895	\$ 701,580	\$ 654,193	\$ 663,014	\$ 683,432	\$ 692,407	\$ 668,431
Special Funds.....	0	23,985	48,350	49,649	53,271	32,030	0
Federal Funds.....	614,487	741,820	770,286	668,542	626,042	619,042	612,042
Other Funds.....	499,427	636,885	620,538	649,560	656,591	664,650	670,416
<b>Total Operating.....</b>	<b>\$ 1,777,809</b>	<b>\$ 2,104,270</b>	<b>\$ 2,093,367</b>	<b>\$ 2,030,765</b>	<b>\$ 2,019,336</b>	<b>\$ 2,008,129</b>	<b>\$ 1,950,889</b>
Capital Bond Authorizations.....	\$ 16,676	\$ 3,506,721	\$ 0	\$ 1,192	\$ 1,262	\$ 1,332	\$ 1,402
<b>Program Total.....</b>	<b>\$ 1,794,485</b>	<b>\$ 5,610,991</b>	<b>\$ 2,093,367</b>	<b>\$ 2,031,957</b>	<b>\$ 2,020,598</b>	<b>\$ 2,009,461</b>	<b>\$ 1,952,291</b>
<b>Transportation and Communication</b>							
General Fund.....	\$ 388,779	\$ 364,255	\$ 382,582	\$ 395,668	\$ 403,229	\$ 416,544	\$ 429,842
Special Funds.....	1,489,542	1,484,975	1,474,557	1,414,059	1,439,393	1,447,350	1,457,236
Federal Funds.....	788,394	967,646	1,021,512	1,003,273	995,236	997,520	1,004,943
Other Funds.....	1,045,492	1,116,653	1,119,277	1,102,755	1,105,064	1,108,157	1,117,096
<b>Total Operating.....</b>	<b>\$ 3,712,207</b>	<b>\$ 3,933,529</b>	<b>\$ 3,997,928</b>	<b>\$ 3,915,755</b>	<b>\$ 3,942,922</b>	<b>\$ 3,969,571</b>	<b>\$ 4,009,117</b>
Capital Bond Authorizations.....	\$ 173,762	\$ 582,467	\$ 190,382	\$ 87,372	\$ 87,806	\$ 98,239	\$ 108,673
<b>Program Total.....</b>	<b>\$ 3,885,969</b>	<b>\$ 4,515,996</b>	<b>\$ 4,188,310</b>	<b>\$ 4,003,127</b>	<b>\$ 4,030,728</b>	<b>\$ 4,067,810</b>	<b>\$ 4,117,790</b>
<b>Recreation and Cultural Enrichment</b>							
General Fund.....	\$ 227,577	\$ 251,068	\$ 275,116	\$ 265,046	\$ 264,917	\$ 266,614	\$ 268,172
Special Funds.....	142,778	203,697	160,198	162,141	167,725	173,337	146,916
Federal Funds.....	26,508	32,952	28,672	28,162	27,712	27,712	27,712
Other Funds.....	72,789	77,707	78,971	80,245	81,536	82,849	84,189
<b>Total Operating.....</b>	<b>\$ 469,652</b>	<b>\$ 565,424</b>	<b>\$ 542,957</b>	<b>\$ 535,594</b>	<b>\$ 541,890</b>	<b>\$ 550,512</b>	<b>\$ 526,989</b>
Capital Bond Authorizations.....	\$ 42,549	\$ 247,768	\$ 51,949	\$ 59,195	\$ 54,442	\$ 56,689	\$ 56,935
<b>Program Total.....</b>	<b>\$ 512,201</b>	<b>\$ 813,192</b>	<b>\$ 594,906</b>	<b>\$ 594,789</b>	<b>\$ 596,332</b>	<b>\$ 607,201</b>	<b>\$ 583,924</b>
<b>COMMONWEALTH TOTALS</b>							
General Fund.....	\$ 18,263,339	\$ 19,279,025	\$ 19,678,087	\$ 20,372,661	\$ 20,822,090	\$ 21,221,217	\$ 21,542,345
Special Funds.....	3,028,471	3,169,236	3,601,754	3,623,052	3,761,312	3,825,750	3,712,340
Federal Funds.....	10,130,931	11,317,050	11,789,592	11,694,508	11,684,822	11,779,579	11,868,252
Other Funds.....	4,781,163	5,009,190	5,100,706	5,100,667	5,131,961	5,157,130	5,152,952
<b>Total Operating.....</b>	<b>\$ 36,203,904</b>	<b>\$ 38,774,501</b>	<b>\$ 40,170,139</b>	<b>\$ 40,790,888</b>	<b>\$ 41,400,185</b>	<b>\$ 41,983,676</b>	<b>\$ 42,275,889</b>
Capital Bond Authorizations.....	\$ 357,404	\$ 5,369,664	\$ 356,690	\$ 273,105	\$ 275,205	\$ 294,630	\$ 312,000
<b>Program Total.....</b>	<b>\$ 36,561,308</b>	<b>\$ 44,144,165</b>	<b>\$ 40,526,829</b>	<b>\$ 41,063,993</b>	<b>\$ 41,675,390</b>	<b>\$ 42,278,306</b>	<b>\$ 42,587,889</b>



# Program Budget Summary

## Direction and Supportive Services

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. This Commonwealth program supports the Ridge Administration goal of Making Government User Friendly and Customer Focused through the activities of centralized agencies to support this goal.

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)

	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
<b>Administrative and Support Services.....</b>	<b>\$ 96,542</b>	<b>\$ 119,840</b>	<b>\$ 198,519</b>	<b>\$ 159,513</b>	<b>\$ 162,186</b>	<b>\$ 164,117</b>	<b>\$ 166,547</b>
Executive Direction.....	93,334	116,487	191,719	155,763	158,361	160,216	162,568
Personnel Selection.....	1	1	1	1	1	1	1
State Retirement System.....	13	15	10	10	10	10	10
Legal Services.....	3,194	3,337	6,789	3,739	3,814	3,890	3,968
<b>Fiscal Management.....</b>	<b>\$ 500,916</b>	<b>\$ 543,116</b>	<b>\$ 551,520</b>	<b>\$ 552,533</b>	<b>\$ 558,593</b>	<b>\$ 564,769</b>	<b>\$ 571,060</b>
Revenue Collection and Administration.....	422,667	447,471	442,356	441,905	446,472	451,124	455,861
Disbursement.....	36,076	51,336	63,515	64,066	64,628	65,202	65,787
Auditing.....	42,173	44,309	45,649	46,562	47,493	48,443	49,412
<b>Physical Facilities and Commodities Management.....</b>	<b>\$ 118,244</b>	<b>\$ 122,365</b>	<b>\$ 126,435</b>	<b>\$ 128,319</b>	<b>\$ 129,445</b>	<b>\$ 131,405</b>	<b>\$ 133,824</b>
Facility, Property and Commodity Management.....	118,244	122,365	126,435	128,319	129,445	131,405	133,824
<b>Legislative Processes.....</b>	<b>\$ 208,857</b>	<b>\$ 220,411</b>	<b>\$ 226,256</b>	<b>\$ 226,241</b>	<b>\$ 226,256</b>	<b>\$ 226,241</b>	<b>\$ 226,256</b>
Legislature.....	208,857	220,411	226,256	226,241	226,256	226,241	226,256
<b>Interstate Relations.....</b>	<b>\$ 867</b>	<b>\$ 828</b>	<b>\$ 846</b>	<b>\$ 846</b>	<b>\$ 846</b>	<b>\$ 846</b>	<b>\$ 846</b>
Interstate Relations.....	867	828	846	846	846	846	846
<b>Debt Service.....</b>	<b>\$ 76,315</b>	<b>\$ 63,253</b>	<b>\$ 24,127</b>	<b>\$ 73,207</b>	<b>\$ 76,851</b>	<b>\$ 77,128</b>	<b>\$ 75,461</b>
Debt Service.....	76,315	63,253	24,127	73,207	76,851	77,128	75,461
<b>PROGRAM TOTAL.....</b>	<b>\$ 1,001,741</b>	<b>\$ 1,069,813</b>	<b>\$ 1,127,703</b>	<b>\$ 1,140,659</b>	<b>\$ 1,154,177</b>	<b>\$ 1,164,506</b>	<b>\$ 1,173,994</b>



# Program Budget Summary

## Protection of Persons and Property

The goal of this Commonwealth program is to provide an environment and a social system in which the lives of individuals and the property of individuals and organizations are protected from natural and man-made disasters and from illegal and unfair actions. This Commonwealth program supports the Ridge Administration goal of Protecting our Homes and Communities as well as the goal of Building a New Environmental Partnership.

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 and Veterans 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 in other Commonwealth programs.

### Contribution by Category and Subcategory

#### General Fund and Special Funds

(Dollar Amounts in Thousands)

	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
<b>General Administration and Support.....</b>	<b>\$ 48,933</b>	<b>\$ 56,358</b>	<b>\$ 66,495</b>	<b>\$ 67,234</b>	<b>\$ 67,913</b>	<b>\$ 68,607</b>	<b>\$ 69,314</b>
Criminal and Juvenile Justice Planning.....	26,159	35,437	44,923	45,230	45,469	45,714	45,963
Environmental Support Services.....	22,774	20,921	21,572	22,004	22,444	22,893	23,351
<b>Public Protection and Law Enforcement.....</b>	<b>\$ 583,804</b>	<b>\$ 632,157</b>	<b>\$ 680,519</b>	<b>\$ 685,258</b>	<b>\$ 679,020</b>	<b>\$ 689,960</b>	<b>\$ 704,898</b>
State Police.....	421,752	449,150	485,182	496,191	491,318	497,395	507,342
Attorney General.....	62,286	70,175	71,449	72,194	73,636	75,107	76,606
Highway Safety Administration and Licensing.....	99,766	112,832	123,888	116,873	114,066	117,458	120,950
<b>Control and Reduction of Crime.....</b>	<b>\$ 1,120,189</b>	<b>\$ 1,222,045</b>	<b>\$ 1,266,695</b>	<b>\$ 1,306,470</b>	<b>\$ 1,363,652</b>	<b>\$ 1,403,403</b>	<b>\$ 1,435,637</b>
Institutionalization of Offenders.....	1,041,612	1,134,770	1,175,884	1,214,780	1,270,494	1,308,748	1,339,454
Reintegration of Adult Offenders.....	78,577	87,275	90,811	91,690	93,158	94,655	96,183
<b>Juvenile Crime Prevention.....</b>	<b>\$ 13,841</b>	<b>\$ 18,936</b>	<b>\$ 20,845</b>	<b>\$ 20,881</b>	<b>\$ 20,918</b>	<b>\$ 20,955</b>	<b>\$ 20,993</b>
Reintegration of Juvenile Delinquents.....	13,841	18,936	20,845	20,881	20,918	20,955	20,993
<b>Adjudication of Defendants.....</b>	<b>\$ 207,312</b>	<b>\$ 214,543</b>	<b>\$ 219,518</b>	<b>\$ 223,260</b>	<b>\$ 227,077</b>	<b>\$ 230,970</b>	<b>\$ 234,938</b>
State Judicial System.....	207,312	214,543	219,518	223,260	227,077	230,970	234,938
<b>Public Order and Community Safety.....</b>	<b>\$ 22,827</b>	<b>\$ 40,028</b>	<b>\$ 26,941</b>	<b>\$ 25,362</b>	<b>\$ 25,864</b>	<b>\$ 26,380</b>	<b>\$ 26,901</b>
Emergency Management.....	6,841	19,121	9,009	7,123	7,260	7,405	7,547
State Military Readiness.....	15,986	20,907	17,932	18,239	18,604	18,975	19,354
<b>Protection From Natural Hazards and Disasters.....</b>	<b>\$ 182,376</b>	<b>\$ 299,244</b>	<b>\$ 358,908</b>	<b>\$ 362,809</b>	<b>\$ 365,473</b>	<b>\$ 367,530</b>	<b>\$ 218,021</b>
Environmental Protection and Management.....	182,376	299,244	358,908	362,809	365,473	367,530	218,021
<b>Consumer Protection.....</b>	<b>\$ 102,629</b>	<b>\$ 279,739</b>	<b>\$ 276,910</b>	<b>\$ 285,159</b>	<b>\$ 310,286</b>	<b>\$ 313,234</b>	<b>\$ 277,997</b>
Consumer Protection.....	4,843	4,692	5,674	5,765	5,880	5,997	6,139
Financial Institution Regulation.....	9,225	9,929	9,691	9,783	9,979	10,179	10,383
Securities Industry Regulation.....	2,074	2,188	2,199	2,243	2,288	2,334	2,381
Insurance Industry Regulation.....	16,796	54,094	162,193	171,041	194,948	196,756	180,336
Horse Racing Regulation.....	20,055	19,043	19,447	18,750	18,846	18,841	18,836
Milk Industry Regulation.....	2,644	2,360	2,422	2,470	2,520	2,570	2,622

# Program Budget Summary

## Protection of Persons and Property (continued) Contribution by Category and Subcategory

### General Fund and Special Funds

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
Protection and Development of Agricultural Industries.....	46,992	187,433	75,284	75,107	75,825	76,557	57,300
<b>Community and Occupational Safety and Stability..... \$</b>	<b>43,818 \$</b>	<b>26,846 \$</b>	<b>52,025 \$</b>	<b>37,222 \$</b>	<b>37,966 \$</b>	<b>38,725 \$</b>	<b>39,498</b>
Community and Occupational Safety and Stability.....	21,815	25,100	35,033	35,274	35,979	36,699	37,431
Fire Prevention and Safety.....	22,003	1,746	16,992	1,948	1,987	2,026	2,067
<b>Prevention &amp; Elimination of Discriminatory Practices \$</b>	<b>10,446 \$</b>	<b>10,984 \$</b>	<b>12,786 \$</b>	<b>11,856 \$</b>	<b>11,543 \$</b>	<b>11,817 \$</b>	<b>12,058</b>
Prevention & Elimination of Discriminatory Practices.....	10,446	10,984	12,786	11,856	11,543	11,817	12,058
<b>Debt Service..... \$</b>	<b>149,455 \$</b>	<b>128,484 \$</b>	<b>66,860 \$</b>	<b>148,102 \$</b>	<b>152,442 \$</b>	<b>152,566 \$</b>	<b>148,538</b>
Debt Service.....	149,455	128,484	66,860	148,102	152,442	152,566	148,538
<b>PROGRAM TOTAL..... \$</b>	<b>2,485,630 \$</b>	<b>2,929,364 \$</b>	<b>3,048,502 \$</b>	<b>3,173,613 \$</b>	<b>3,262,154 \$</b>	<b>3,324,147 \$</b>	<b>3,188,793</b>





# Program Budget Summary

## Education

The goal of this program is to provide a system of learning experiences and opportunities that will permit each individual to achieve his or her 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 supports the Ridge administration goal of Lifelong Learning. This Commonwealth program is financed primarily through the Department of Education. Other agencies providing support are the Department of 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)

	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
<b>Educational Support Services</b> .....	<b>\$ 22,893</b>	<b>\$ 24,731</b>	<b>\$ 29,971</b>	<b>\$ 29,599</b>	<b>\$ 30,109</b>	<b>\$ 30,629</b>	<b>\$ 31,160</b>
Education Support Services.....	22,893	24,731	29,971	29,599	30,109	30,629	31,160
<b>Basic Education</b> .....	<b>\$ 6,208,181</b>	<b>\$ 6,307,169</b>	<b>\$ 6,378,080</b>	<b>\$ 6,383,696</b>	<b>\$ 6,384,530</b>	<b>\$ 6,367,265</b>	<b>\$ 6,385,547</b>
Basic Education.....	6,113,068	6,227,875	6,347,337	6,362,176	6,361,966	6,342,380	6,359,444
Public Utility Realty Payments.....	95,113	79,294	30,743	21,520	22,564	24,885	26,103
<b>Higher Education</b> .....	<b>\$ 1,649,785</b>	<b>\$ 1,755,392</b>	<b>\$ 1,832,431</b>	<b>\$ 1,832,050</b>	<b>\$ 1,849,579</b>	<b>\$ 1,840,659</b>	<b>\$ 1,841,828</b>
Higher Education.....	1,335,119	1,402,174	1,447,650	1,430,073	1,431,068	1,422,148	1,423,317
Financial Assistance To Students.....	276,727	314,141	344,532	361,728	378,262	378,262	378,262
Financial Assistance To Institutions.....	37,939	39,077	40,249	40,249	40,249	40,249	40,249
<b>Debt Service</b> .....	<b>\$ 156,820</b>	<b>\$ 129,618</b>	<b>\$ 50,238</b>	<b>\$ 147,958</b>	<b>\$ 154,852</b>	<b>\$ 155,270</b>	<b>\$ 151,919</b>
Debt Service.....	156,820	129,618	50,238	147,958	154,852	155,270	151,919
<b>PROGRAM TOTAL</b> .....	<b>\$ 8,037,679</b>	<b>\$ 8,216,910</b>	<b>\$ 8,290,720</b>	<b>\$ 8,393,303</b>	<b>\$ 8,419,070</b>	<b>\$ 8,393,823</b>	<b>\$ 8,410,454</b>



# Program Budget Summary

## Health and Human Services

The goals of this program are to ensure access to quality medical care for all citizens; to support people seeking self-sufficiency; to provide military assistance; and to maximize the capacity of individuals and families to participate in society. This Commonwealth program includes activities that support the Ridge Administration goal of Strengthening Families and Communities.

This program addresses the following substantive areas: research; prevention and treatment of physical, mental health and mental retardation disorders; maternal and child health care; financial assistance for older Pennsylvanians medically needy individuals and families in transition; and other programs 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 and Veterans Affairs, Revenue and Transportation.

### Contribution by Category and Subcategory

#### General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>Human Services Support.....</b>	<b>\$ 74,207</b>	<b>\$ 77,731</b>	<b>\$ 84,751</b>	<b>\$ 84,490</b>	<b>\$ 85,806</b>	<b>\$ 87,513</b>	<b>\$ 89,253</b>
Human Services Support.....	74,207	77,731	84,751	84,490	85,806	87,513	89,253
<b>Social Development of Individuals.....</b>	<b>\$ 658,237</b>	<b>\$ 686,672</b>	<b>\$ 723,711</b>	<b>\$ 759,815</b>	<b>\$ 795,319</b>	<b>\$ 834,528</b>	<b>\$ 876,406</b>
Human Services.....	658,237	686,672	723,711	759,815	795,319	834,528	876,406
<b>Support of Older Pennsylvanians.....</b>	<b>\$ 658,781</b>	<b>\$ 706,840</b>	<b>\$ 832,092</b>	<b>\$ 882,373</b>	<b>\$ 930,046</b>	<b>\$ 975,337</b>	<b>\$ 1,017,126</b>
Community Services for Older Pennsylvanians.....	205,867	221,624	243,154	249,738	259,470	272,765	276,513
Older Pennsylvanians Transit.....	115,515	145,216	143,438	145,690	148,170	150,690	153,240
Homeowners and Renters Assistance.....	77,399	80,000	155,500	153,945	152,406	150,882	149,373
Pharmaceutical Assistance.....	260,000	260,000	290,000	333,000	370,000	401,000	438,000
<b>Income Maintenance.....</b>	<b>\$ 773,013</b>	<b>\$ 859,720</b>	<b>\$ 835,243</b>	<b>\$ 880,416</b>	<b>\$ 888,414</b>	<b>\$ 896,489</b>	<b>\$ 904,817</b>
Income Maintenance.....	764,165	848,877	824,258	869,431	877,429	885,504	893,832
Workers Compensation and Assistance.....	3,887	3,661	3,803	3,803	3,803	3,803	3,803
Military Compensation and Assistance.....	4,961	7,182	7,182	7,182	7,182	7,182	7,182
<b>Physical Health Treatment.....</b>	<b>\$ 3,224,843</b>	<b>\$ 3,381,564</b>	<b>\$ 3,820,247</b>	<b>\$ 4,140,785</b>	<b>\$ 4,416,176</b>	<b>\$ 4,689,221</b>	<b>\$ 4,935,643</b>
Medical Assistance.....	2,938,104	3,082,834	3,426,384	3,738,563	3,994,042	4,265,036	4,521,814
Health Treatment Services.....	19,019	19,549	19,549	19,549	19,549	19,549	19,549
Health Support Services.....	32,199	37,317	44,928	45,411	45,507	44,769	45,660
Health Research.....	11,631	13,863	46,636	49,277	56,641	57,184	52,101
Emergency Food Assistance.....	18,301	16,464	17,000	17,020	17,040	17,061	17,082
Prevention and Treatment of Drug and Alcohol Abuse.....	37,255	38,173	39,289	39,289	39,289	39,289	39,289
Preventive Health.....	109,449	112,569	167,600	171,638	182,869	183,869	176,435
Veterans Homes and School.....	58,885	60,795	58,861	60,038	61,239	62,464	63,713
<b>Mental Health.....</b>	<b>\$ 633,734</b>	<b>\$ 639,551</b>	<b>\$ 656,257</b>	<b>\$ 666,971</b>	<b>\$ 668,144</b>	<b>\$ 675,199</b>	<b>\$ 682,395</b>
Mental Health.....	633,734	639,551	656,257	666,971	668,144	675,199	682,395
<b>Mental Retardation.....</b>	<b>\$ 784,411</b>	<b>\$ 812,001</b>	<b>\$ 851,083</b>	<b>\$ 881,836</b>	<b>\$ 908,214</b>	<b>\$ 934,400</b>	<b>\$ 963,106</b>
Mental Retardation.....	784,411	812,001	851,083	881,836	908,214	934,400	963,106



# Program Budget Summary

## Health and Human Services (continued) Contribution by Category and Subcategory

### General Fund and Special Funds

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
Debt Service.....	\$ 46,963	\$ 38,535	\$ 14,536	\$ 41,875	\$ 43,915	\$ 43,522	\$ 42,101
Debt Service.....	46,963	38,535	14,536	41,875	43,915	43,522	42,101
<b>PROGRAM TOTAL.....</b>	<b>\$ 6,854,189</b>	<b>\$ 7,202,614</b>	<b>\$ 7,817,920</b>	<b>\$ 8,338,561</b>	<b>\$ 8,736,034</b>	<b>\$ 9,136,209</b>	<b>\$ 9,510,847</b>



# Program Budget Summary

## 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 Commonwealth program supports the Ridge Administration goal of Creating Economic Opportunity.

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

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

### Contribution by Category and Subcategory

#### General Fund and Special Funds

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>Economic Development Support Services..... \$</b>	<b>60,051 \$</b>	<b>71,879 \$</b>	<b>85,883 \$</b>	<b>81,823 \$</b>	<b>83,039 \$</b>	<b>84,277 \$</b>	<b>85,539</b>
Economic Development Support Services.....	60,051	71,879	85,883	81,823	83,039	84,277	85,539
<b>Commonwealth Economic Development..... \$</b>	<b>202,482 \$</b>	<b>258,954 \$</b>	<b>312,174 \$</b>	<b>273,878 \$</b>	<b>277,912 \$</b>	<b>257,092 \$</b>	<b>195,191</b>
Business and Job Development.....	157,082	192,569	241,044	202,748	206,782	185,962	156,091
Technology Development.....	45,400	42,400	39,100	39,100	39,100	39,100	39,100
Environmental Infrastructure.....	0	23,985	32,030	32,030	32,030	32,030	0
<b>Workforce Investment..... \$</b>	<b>55,203 \$</b>	<b>55,003 \$</b>	<b>55,913 \$</b>	<b>53,040 \$</b>	<b>52,670 \$</b>	<b>52,802 \$</b>	<b>52,937</b>
Workforce Development.....	15,102	14,864	14,514	11,641	11,271	11,403	11,538
Vocational Rehabilitation.....	40,101	40,139	41,399	41,399	41,399	41,399	41,399
<b>Community Development..... \$</b>	<b>156,553 \$</b>	<b>178,812 \$</b>	<b>98,503 \$</b>	<b>91,898 \$</b>	<b>92,727 \$</b>	<b>94,481 \$</b>	<b>95,440</b>
Community Development.....	87,695	121,406	76,246	76,318	76,391	76,466	76,543
Public Utility Realty Payments.....	68,858	57,406	22,257	15,580	16,336	18,015	18,897
<b>Local Government Assistance..... \$</b>	<b>708 \$</b>	<b>113 \$</b>	<b>424 \$</b>	<b>424 \$</b>	<b>424 \$</b>	<b>424 \$</b>	<b>0</b>
Municipal Pension Systems.....	708	113	424	424	424	424	0
<b>Debt Service..... \$</b>	<b>188,898 \$</b>	<b>160,804 \$</b>	<b>149,646 \$</b>	<b>211,600 \$</b>	<b>229,931 \$</b>	<b>235,361 \$</b>	<b>239,324</b>
Debt Service.....	188,898	160,804	149,646	211,600	229,931	235,361	239,324
<b>PROGRAM TOTAL..... \$</b>	<b>663,895 \$</b>	<b>725,565 \$</b>	<b>702,543 \$</b>	<b>712,663 \$</b>	<b>736,703 \$</b>	<b>724,437 \$</b>	<b>668,431</b>



# Program Budget Summary

## 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 that is interfaced with a national and international system of transportation and communication. This Commonwealth program supports the Ridge Administration goal of Establishing and Maintaining a First-Rate Infrastructure.

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

### Contribution by Category and Subcategory

#### General Fund and Special Funds

(Dollar Amounts in Thousands)

	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
<b>Transportation Systems and Services</b> .....	\$ 1,659,970	\$ 1,674,932	\$ 1,689,394	\$ 1,647,349	\$ 1,689,268	\$ 1,706,642	\$ 1,732,701
State Highway and Bridge Construction and Reconstruct	405,200	415,800	416,900	404,400	407,000	399,600	402,200
Local Highway and Bridge Assistance.....	186,173	179,992	184,302	184,263	184,898	185,533	186,180
Mass Transportation.....	256,856	264,477	272,351	272,360	272,369	272,378	272,387
Intercity Transportation.....	10,445	10,594	10,639	10,639	10,639	10,639	10,639
State Highway and Bridge Maintenance.....	729,940	734,495	724,265	710,189	756,359	780,852	802,484
Transportation Support Services.....	71,356	69,574	80,937	65,498	58,003	57,640	58,811
<b>Debt Service</b> .....	\$ 218,351	\$ 174,298	\$ 167,745	\$ 162,378	\$ 153,354	\$ 157,252	\$ 154,377
Debt Service.....	218,351	174,298	167,745	162,378	153,354	157,252	154,377
<b>PROGRAM TOTAL</b> .....	<b>\$ 1,878,321</b>	<b>\$ 1,849,230</b>	<b>\$ 1,857,139</b>	<b>\$ 1,809,727</b>	<b>\$ 1,842,622</b>	<b>\$ 1,863,894</b>	<b>\$ 1,887,078</b>



# Program Budget Summary

## Recreation and Cultural Enrichment

The goal of this program is to make available sufficient opportunities for individual and group recreation and cultural growth. This Commonwealth program supports the Ridge Administration goal of Strengthening Families and Communities.

In working toward this broad Commonwealth program 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)

	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
<b>Recreation.....</b>	<b>\$ 224,169</b>	<b>\$ 287,627</b>	<b>\$ 266,455</b>	<b>\$ 254,042</b>	<b>\$ 260,108</b>	<b>\$ 266,844</b>	<b>\$ 241,478</b>
Parks and Forests Management.....	141,156	204,609	181,541	167,958	172,322	177,321	150,184
Recreational Fishing and Boating.....	35,467	32,762	35,943	36,389	37,097	37,820	38,557
Wildlife Management.....	47,546	50,256	48,971	49,695	50,689	51,703	52,737
<b>Cultural Enrichment.....</b>	<b>\$ 110,787</b>	<b>\$ 135,762</b>	<b>\$ 150,396</b>	<b>\$ 142,504</b>	<b>\$ 142,895</b>	<b>\$ 144,793</b>	<b>\$ 145,835</b>
State Historical Preservation.....	19,873	21,229	24,377	24,496	24,962	25,381	25,837
Local Museum Assistance.....	14,559	18,906	13,929	13,551	14,117	14,731	15,425
Development of Artists and Audiences.....	11,599	13,023	14,046	14,067	14,088	14,110	14,132
State Library Services.....	52,175	65,375	82,628	80,682	79,957	80,735	80,539
Public Television Services.....	12,581	17,229	15,416	9,708	9,771	9,836	9,902
<b>Debt Service.....</b>	<b>\$ 35,399</b>	<b>\$ 31,376</b>	<b>\$ 18,463</b>	<b>\$ 30,641</b>	<b>\$ 29,639</b>	<b>\$ 28,314</b>	<b>\$ 27,775</b>
Debt Service.....	35,399	31,376	18,463	30,641	29,639	28,314	27,775
<b>PROGRAM TOTAL.....</b>	<b>\$ 370,355</b>	<b>\$ 454,765</b>	<b>\$ 435,314</b>	<b>\$ 427,187</b>	<b>\$ 432,642</b>	<b>\$ 439,951</b>	<b>\$ 415,088</b>





Governor's Executive Budget

# *SUMMARY*

*BY*

*FUND*



---

# 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.





## FINANCIAL STATEMENT

The following financial statement and accompanying notes are a summary of the General Fund revenues and expenditures for the 1998-99 actual year, 1999-00 available year and 2000-01 budget year. The financial statement excludes augmentations and Federal funds that are detailed in subsequent tables.

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
<b>Beginning Balance</b> .....	\$ 265,377	\$ 447,536	\$ 443,879
Adjustment to Beginning Balance.....	-65	0	0
<b>Adjusted Beginning Balance</b> .....	<b>\$ 265,312</b>	<b>\$ 447,536</b>	<b>\$ 443,879</b>
<b>Revenue:</b>			
Revenue Receipts.....	\$ 19,226,655	\$ 19,838,700	\$ 20,597,700
Less Refunds Reserve.....	-644,000	-685,000	-700,000
Less Proposed Tax Reductions.....	0	0	-643,500
<b>Total Revenue</b> .....	<b>\$ 18,582,655</b>	<b>\$ 19,153,700</b>	<b>\$ 19,254,200</b>
Prior Year Lapses.....	118,356	100,000	0
<b>Funds Available</b> .....	<b>\$ 18,966,323</b>	<b>\$ 19,701,236</b>	<b>\$ 19,698,079</b>
<b>Expenditures:</b>			
Appropriations.....	\$ 18,010,496	\$ 19,215,106	\$ 19,678,087
Supplemental Appropriations.....	357,014	63,919	0
Less Current Year Lapses.....	-104,171	-100,000	0
<b>Total Expenditures</b> .....	<b>\$ 18,263,339</b>	<b>\$ 19,179,025</b>	<b>\$ 19,678,087</b>
<b>Closing Balance</b> .....	<b>\$ 702,984</b>	<b>\$ 522,211</b>	<b>\$ 19,992</b>
<b>Less Transfer to Tax Stabilization</b>			
Reserve Fund.....	-255,448	-78,332	-2,999
<b>Ending Balance</b> .....	<b>\$ 447,536</b>	<b>\$ 443,879</b>	<b>\$ 16,993</b>

**NOTES ON FINANCIAL STATEMENT**  
(Dollar Amounts in Thousands)

**PROPOSED TAX REDUCTIONS AND REBATE**

	2000-01 Estimated
<b>School Property Tax:</b>	
<b>Homestead Property Tax Rebate</b> .....	\$ -330,000
A rebate of school property taxes paid for a school district's 1999-2000 fiscal year on an owner-occupied dwelling and land will be made to the resident owner. The rebate will be 100 percent of the school district property tax, paid up to \$100.	
<b>Capital Stock and Franchise Tax:</b>	
<b>Phase Out Tax</b> .....	-256,100
The tax will be phased out through an initial 2 mill reduction of the tax rate and a 1 mill reduction each year thereafter until the tax is eliminated. The current total tax rate is 10.99 mills. The 0.25 mill portion of the tax dedicated to the Hazardous Sites Cleanup Fund will be eliminated with the last mill of the tax rate. The initial tax rate reduction of 2 mills applies to taxable years beginning in 2000.	
<b>Eliminate Minimum Tax</b> .....	-32,900
The minimum \$200 annual tax will be eliminated for tax years beginning in 2000 and thereafter.	
<b>Personal Income Tax:</b>	
<b>Expand Tax Forgiveness</b> .....	-16,200
A claimant's eligibility income limit to qualify for full tax forgiveness under the special tax provisions is proposed to be increased from \$6,500 to \$7,500 for each dependent, effective January 1, 2000. A qualifying family of four with two claimants and two dependents will owe no tax on taxable income up to \$28,000.	
<b>Sales and Use Tax:</b>	
<b>Personal Computer Tax Holiday</b> .....	-8,300
Qualifying purchases of personal computers and connected equipment by individuals for non-business use will be exempt from the sales and use tax if purchased during the designated time periods.	
<b>TOTAL PROPOSED TAX REDUCTIONS AND REBATE</b>	<b>\$ -643,500</b>



## NOTES ON FINANCIAL STATEMENT

(Dollar Amounts in Thousands)

## SUPPLEMENTAL APPROPRIATIONS

	1999-00 Available
<b>Agriculture</b>	
General Government Operations.....	\$ 200
<b>Corrections</b>	
State Correctional Institutions.....	\$ 43,211
<b>Education</b>	
Pupil Transportation.....	\$ 5,578
Nonpublic Pupil Transportation.....	1,630
<i>Education Total</i> .....	<u>\$ 7,208</u>
<b>Environmental Protection</b>	
West Nile Virus Control.....	\$ 4,100
<b>Health</b>	
General Government Operations.....	\$ 340
State Laboratory.....	260
<i>Health Total</i> .....	<u>\$ 600</u>
<b>Public Welfare</b>	
Medical Assistance - Outpatient.....	\$ 41,249
Medical Assistance - Inpatient.....	25,348
Medical Assistance - Capitation.....	-62,740
Long-Term Care Facilities.....	-46,417
Medical Assistance - Transportation.....	2,560
Cash Assistance.....	100,000
County Child Welfare.....	-60,000
<i>Public Welfare Total</i> .....	<u>\$ 0</u>
<b>Revenue</b>	
General Government Operations.....	\$ 8,000
General Operations - Lottery Administration.....	600
<i>Revenue Total</i> .....	<u>\$ 8,600</u>
<b>TOTAL</b> .....	<u>\$ 63,919</u>



## STATE FUNDS BY DEPARTMENT

The following is a summary, by department, of 1998-99 actual expenditures, the 1999-00 amounts available and the 2000-01 amounts budgeted as presented in the General Fund Budget.

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Budget
Governor's Office.....	\$ 7,208	\$ 7,566	\$ 7,793
Executive Offices.....	146,099	184,987	276,940
Lieutenant Governor's Office.....	1,040	1,379	1,377
Attorney General.....	62,286	70,175	71,449
Auditor General.....	42,881	44,422	46,073
Treasury.....	788,494	666,751	461,853
Aging.....	19,706	34,838	35,887
Agriculture.....	60,854	199,253	67,013
Civil Service Commission.....	1	1	1
Community and Economic Development.....	350,228	428,254	425,953
Conservation and Natural Resources.....	90,497	100,012	114,896
Corrections.....	1,041,612	1,134,770	1,175,884
Education*.....	7,510,932	7,704,403	7,893,277
Emergency Management Agency.....	28,844	20,867	26,001
Environmental Protection**.....	201,150	278,596	325,934
Fish and Boat Commission.....	808	10	11
General Services.....	97,461	101,788	105,848
Health.....	209,553	221,471	236,400
Higher Education Assistance Agency.....	314,666	353,218	384,781
Historical and Museum Commission.....	26,272	28,243	31,691
Insurance.....	16,796	54,094	56,438
Labor and Industry.....	80,905	83,764	94,749
Military and Veterans Affairs.....	79,832	88,884	83,975
Probation and Parole Board.....	78,577	87,275	90,811
Public Television Network.....	12,581	17,229	15,416
Public Welfare.....	5,852,858	6,147,666	6,474,723
Revenue***.....	292,040	320,861	243,768
Securities Commission.....	2,074	2,188	2,199
State.....	4,843	4,692	5,674
State Employees' Retirement System.....	13	15	10
State Police.....	137,203	148,059	158,674
Tax Equalization Board.....	1,277	1,319	1,349
Transportation.....	287,579	307,021	315,465
Legislature****.....	208,857	220,411	226,256
Judiciary.....	207,312	214,543	219,518
<b>GRAND TOTAL.....</b>	<b>\$ 18,263,339</b>	<b>\$ 19,279,025</b>	<b>\$ 19,678,087</b>

\* Includes State System of Higher Education.

\*\* Includes Environmental Hearing Board.

\*\*\* Excludes refunds.

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



## FEDERAL FUNDS BY DEPARTMENT

The following is a summary of Federal funds, by department, of 1998-99 actual expenditures, the 1999-00 amounts available and the 2000-01 amounts budgeted as presented in the General Fund Budget.

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Budget
Executive Offices.....	\$ 71,621	\$ 118,360	\$ 120,760
Lieutenant Governor's Office.....	230	0	0
Attorney General.....	10,952	11,792	11,734
Aging.....	10,999	18,270	13,182
Agriculture.....	3,998	6,626	6,674
Community and Economic Development.....	238,483	250,498	251,135
Conservation and Natural Resources.....	7,639	11,643	8,758
Corrections.....	30,759	63,589	27,970
Education.....	859,695	1,199,643	1,255,693
Emergency Management Agency.....	30,026	58,790	13,977
Environmental Protection*.....	72,310	112,853	114,531
Health.....	283,642	331,998	338,184
Higher Education Assistance Agency.....	0	1,656	3,156
Historical and Museum Commission.....	1,833	2,575	2,145
Infrastructure Investment Authority.....	91,594	118,534	112,250
Insurance.....	36,804	51,799	116,985
Labor and Industry.....	350,063	445,365	480,085
Liquor Control Board.....	216	322	227
Military and Veterans Affairs.....	54,002	71,131	71,087
Probation and Parole Board.....	1,480	2,828	1,480
Public Utility Commission.....	955	1,005	1,005
Public Welfare.....	7,099,092	7,371,779	7,689,109
State Police.....	9,388	15,296	18,318
Transportation.....	12,503	40,522	83,846
<b>GRAND TOTAL.....</b>	<b>\$ 9,278,284</b>	<b>\$ 10,306,874</b>	<b>\$ 10,742,291</b>

\* Includes Environmental Hearing Board.



## AUGMENTATIONS BY DEPARTMENT

The following is a summary of augmentations, by department, of 1998-99 actual expenditures, the 1999-00 amounts available and the 2000-01 amounts budgeted as presented in the General Fund Budget.

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Budget
Executive Offices.....	\$ 60,533	\$ 59,125	\$ 65,465
Lieutenant Governor's Office.....	405	85	85
Attorney General*.....	10,306	10,792	10,546
Auditor General.....	7,923	7,850	7,850
Treasury.....	10,769	6,958	10,794
Aging.....	4,247	5,613	3,169
Agriculture.....	2,578	3,018	3,213
Civil Service Commission.....	12,551	13,620	14,899
Community and Economic Development*.....	7,357	13,606	11,511
Conservation and Natural Resources.....	38,851	42,468	41,840
Corrections.....	1,267	2,168	1,997
Education.....	8,026	9,422	8,629
Emergency Management Agency.....	87	97	97
Environmental Protection* **.....	17,985	26,447	26,579
General Services.....	5,581	7,373	6,511
Health.....	7,578	8,847	4,124
Historical and Museum Commission.....	897	1,004	992
Insurance.....	2,535	2,424	2,309
Labor and Industry*.....	50,214	60,192	44,099
Military and Veterans Affairs.....	17,630	18,647	21,064
Probation and Parole Board.....	10,020	8,358	9,410
Public Television Network.....	11	0	0
Public Utility Commission*.....	40,325	42,046	42,174
Public Welfare.....	897,630	742,168	844,123
Revenue.....	17,980	17,900	17,025
Securities Commission.....	3,639	4,097	4,493
State*.....	23,846	27,030	25,705
State Police*.....	31,668	31,391	31,510
Transportation*.....	82,133	83,848	79,988
Judiciary*.....	16,505	19,462	19,517
<b>GRAND TOTAL.....</b>	<b>\$ 1,391,077</b>	<b>\$ 1,276,056</b>	<b>\$ 1,359,718</b>

\* Includes funds appropriated from restricted revenues.

\*\* Includes Environmental Hearing Board.



# General Fund Revenue Summary

## Seven Year Summary of Revenues

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

	1998-99 Actual	1999-00 Estimated	2000-01 Budget	(Dollar Amounts in Thousands) 2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>TAX REVENUE</b>							
<b>Corporation Taxes</b>							
Corporate Net Income Tax.....	\$ 1,724,945	\$ 1,739,700	\$ 1,792,000	\$ 1,694,000	\$ 1,712,000	\$ 1,731,000	\$ 1,782,930
Capital Stock and Franchise Taxes..	1,100,318	1,002,800	1,058,700	1,095,200	1,138,300	1,184,300	1,220,000
Selective Business:							
Gross Receipts Tax.....	670,238	594,000	624,100	675,400	670,600	695,200	716,400
Public Utility Realty Tax.....	124,588	92,700	28,400	38,900	40,900	44,700	46,900
Insurance Premiums Tax.....	261,895	249,600	259,700	281,900	279,900	288,000	313,200
Financial Institutions Tax.....	193,293	204,200	214,300	226,000	238,800	251,600	264,500
Other Selective Business Taxes....	12,592	12,500	12,500	12,500	12,500	12,500	12,500
<b>Total — Corporation Taxes.....</b>	<b>\$ 4,087,869</b>	<b>\$ 3,895,500</b>	<b>\$ 3,989,700</b>	<b>\$ 4,023,900</b>	<b>\$ 4,093,000</b>	<b>\$ 4,207,300</b>	<b>\$ 4,356,430</b>
<b>Consumption Taxes</b>							
Sales and Use Tax.....	\$ 6,605,756	\$ 6,985,200	\$ 7,254,800	\$ 7,621,900	\$ 7,928,300	\$ 8,215,600	\$ 8,497,100
Cigarette Tax.....	275,786	276,300	270,600	263,800	258,100	252,400	246,500
Malt Beverage Tax.....	25,483	25,700	25,700	25,700	25,700	25,700	25,700
Liquor Tax.....	144,990	147,900	154,100	160,600	167,300	174,300	181,600
<b>Total — Consumption Taxes.....</b>	<b>\$ 7,052,015</b>	<b>\$ 7,435,100</b>	<b>\$ 7,705,200</b>	<b>\$ 8,072,000</b>	<b>\$ 8,379,400</b>	<b>\$ 8,668,000</b>	<b>\$ 8,950,900</b>
<b>Other Taxes</b>							
Personal Income Tax.....	\$ 6,683,575	\$ 6,995,700	\$ 7,323,900	\$ 7,687,300	\$ 8,030,600	\$ 8,384,200	\$ 8,776,200
Realty Transfer Tax.....	257,959	274,600	283,800	310,200	336,700	365,600	397,600
Inheritance Tax.....	760,698	819,500	879,300	947,900	1,017,100	1,096,400	1,178,600
Minor and Repealed Taxes.....	-7,786	-1,400	3,700	6,800	7,000	7,100	7,200
<b>Total — Other Taxes.....</b>	<b>\$ 7,694,446</b>	<b>\$ 8,088,400</b>	<b>\$ 8,490,700</b>	<b>\$ 8,952,200</b>	<b>\$ 9,391,400</b>	<b>\$ 9,853,300</b>	<b>\$ 10,359,600</b>
<b>TOTAL TAX REVENUE.....</b>	<b>\$ 18,834,330</b>	<b>\$ 19,419,000</b>	<b>\$ 20,185,600</b>	<b>\$ 21,048,100</b>	<b>\$ 21,863,800</b>	<b>\$ 22,728,600</b>	<b>\$ 23,666,930</b>
<b>NONTAX REVENUE</b>							
State Stores Fund Transfer.....	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Licenses, Fees and Miscellaneous:							
Licenses and Fees.....	81,212	80,100	81,300	81,300	81,300	81,300	81,300
Miscellaneous.....	233,172	262,300	253,500	249,500	249,500	249,500	249,500
Fines, Penalties and Interest:							
On Taxes.....	26,691	26,000	26,000	26,000	26,000	26,000	26,000
Other.....	1,250	1,300	1,300	1,300	1,300	1,300	1,300
<b>TOTAL NONTAX REVENUES.....</b>	<b>\$ 392,325</b>	<b>\$ 419,700</b>	<b>\$ 412,100</b>	<b>\$ 408,100</b>	<b>\$ 408,100</b>	<b>\$ 408,100</b>	<b>\$ 408,100</b>
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 19,226,655</b>	<b>\$ 19,838,700</b>	<b>\$ 20,597,700</b>	<b>\$ 21,456,200</b>	<b>\$ 22,271,900</b>	<b>\$ 23,136,700</b>	<b>\$ 24,075,030</b>

## Adjustments to Revenue Estimate

On June 24, 1999, the Official Estimate for 1999-2000 was re-certified to be \$19,374,900,000. The adjustments detailed below take into account actual revenue collections through the first six months of the fiscal year and projected collections for the remainder of the fiscal year based on current expectations for the economy and revenue trends.

	(Dollar Amounts in Thousands)		
	1999-00 Official Estimate	Adjustments	1999-00 Revised Estimate
<b>TAX REVENUE</b>			
<b>Corporation Taxes</b>			
Corporate Net Income Tax.....	\$ 1,589,700	\$ 150,000	\$ 1,739,700
Capital Stock and Franchise Taxes.....	1,002,800	0	1,002,800
Selective Business:			
Gross Receipts Tax.....	668,700	-74,700	594,000
Public Utility Realty Tax.....	131,100	-38,400	92,700
Insurance Premiums Tax.....	262,700	-13,100	249,600
Financial Institutions Tax.....	198,800	5,400	204,200
Other Selective Business Taxes.....	12,500	0	12,500
<b>Total — Corporation Taxes.....</b>	<b>\$ 3,866,300</b>	<b>\$ 29,200</b>	<b>\$ 3,895,500</b>
<b>Consumption Taxes</b>			
Sales and Use Tax.....	\$ 6,805,200	\$ 180,000	\$ 6,985,200
Cigarette Tax.....	257,100	19,200	276,300
Malt Beverage Tax.....	25,700	0	25,700
Liquor Tax.....	147,900	0	147,900
<b>Total — Consumption Taxes.....</b>	<b>\$ 7,235,900</b>	<b>\$ 199,200</b>	<b>\$ 7,435,100</b>
<b>Other Taxes</b>			
Personal Income Tax.....	\$ 6,885,700	\$ 110,000	\$ 6,995,700
Realty Transfer Tax.....	258,100	16,500	274,600
Inheritance Tax.....	799,500	20,000	819,500
Minor and Repealed Taxes.....	5,400	-6,800	-1,400
<b>Total — Other Taxes.....</b>	<b>\$ 7,948,700</b>	<b>\$ 139,700</b>	<b>\$ 8,088,400</b>
<b>TOTAL TAX REVENUE.....</b>	<b>\$ 19,050,900</b>	<b>\$ 368,100</b>	<b>\$ 19,419,000</b>
<b>NONTAX REVENUE</b>			
State Stores Fund Transfer.....	\$ 50,000	\$ 0	\$ 50,000
Licenses Fees and Miscellaneous:			
Licenses and Fees.....	77,800	2,300	80,100
Miscellaneous.....	172,600	89,700	262,300
Fines, Penalties and Interest:			
On Taxes.....	22,700	3,300	26,000
Other.....	900	400	1,300
<b>TOTAL NONTAX REVENUES.....</b>	<b>\$ 324,000</b>	<b>\$ 95,700</b>	<b>\$ 419,700</b>
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 19,374,900</b>	<b>\$ 463,800</b>	<b>\$ 19,838,700</b>





# General Fund Revenue Sources

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

## Corporate Net Income Tax

---

**Tax Base:** This tax is paid by all domestic and foreign business corporations for the privilege of doing business, carrying on activities, or employing or owning capital or property in Pennsylvania and is levied on Federal taxable income with Pennsylvania modifications. When the entire business of any corporation is not transacted within Pennsylvania, taxable income usually is determined by a three factor apportionment formula, where the sales factor is given a weight of 60 percent.

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

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

## Capital Stock and Franchise Taxes

---

**Tax Base:** The taxes are levied on the capital stock value of domestic and foreign corporations doing business or having property or capital employed in the State on that portion of the capital stock value apportionable to Pennsylvania under a statutory formula. The first \$125,000 of capital stock value is exempt and a minimum tax payment of \$200 is required.

<b>Tax Rates:</b>	January 1, 1998 to current .....	10.99 mills (including 0.25 mills for transfer semiannually to the Hazardous Sites Cleanup Fund).
	January 1, 1998 to December 31, 1998 .....	11 mills plus a 0.99 mill surtax (including 0.5 mill for transfer semiannually to the Hazardous Sites Cleanup Fund).
	January 1, 1992 to December 31, 1997 .....	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.

**Proposed Changes:** 1) The tax will be phased out through an initial 2 mill reduction of the tax rate and a 1 mill reduction each year thereafter until the tax is eliminated. The 0.25 mill portion of the tax that is transferred to the Hazardous Sites Cleanup Fund will be eliminated with the final mill of the tax rate. 2) The current \$200 minimum tax is proposed to be eliminated. Both proposals are to be effective for tax years beginning on and after January 1, 2000.

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



# General Fund Revenue Sources

## 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. Gross receipts of regulated gas companies from the sale of natural and artificial gas are exempted from the tax effective January 1, 2000. The tax on motor transportation companies was repealed effective January 1, 1998. Beginning with fiscal year 1993-94, 0.25 mills is transferred to the Alternative Fuels Incentive Grant Fund. The revenues shown for the General Fund are net of this transfer.

<b>Tax Rates:</b> July 1, 1991 to Current.....	45 mills plus a 5 mill surtax (electric utilities pay 44 mills or a rate as adjusted by the revenue neutral reconciliation calculation).
January 1, 1988 to June 30, 1991.....	44 mills.
Prior to January 1, 1988.....	45 mills.

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

## Public Utility Realty Tax

**Tax Base:** This tax is levied on the State taxable value of the property owned by utilities furnishing utility service and regulated by the Pennsylvania Public Utility Commission or similar regulatory body. The State taxable value is defined as the current market value of utility realty.

**Tax Rate:** The tax rate is set each year upon determination by the Department of Revenue of the required distribution of the realty tax equivalent to local tax authorities. Revenue from an additional 7.6 mills is deposited in the 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 from all business transacted within the Commonwealth during each calendar year by domestic and foreign insurance companies.

**Tax Rates:** The rate is 2 percent of gross premiums plus a retaliatory tax where applicable. Marine insurance companies pay a 5 percent tax on underwriting profits attributable to Pennsylvania in lieu of the gross premiums tax. A tax of 3 percent is imposed on all gross premiums of surplus lines written 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 domestic title insurance companies, and on the taxable net income of mutual thrift institutions.

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

**Reference:** Purdon's Title 72 P.S. §7701—§7702. Bank and Trust Company Shares 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.

**Reference:** 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. Beginning in fiscal year 1997-98, 1.22 percent of receipts, up to \$75 million, is transferred annually to the General Fund Supplemental Public Transit Account. The revenues shown for the General Fund are net of these transfers.

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

**Proposed Change:** A tax holiday for qualifying purchases of personal computers and connected equipment by individuals for non-business use is proposed. Retail sales of such equipment will be exempt from the sales and use tax if purchased during two specifically designated periods in the 2000-01 fiscal year.

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

## 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 Rates:** The rate is 1.55 cents per cigarette. Beginning in fiscal year 1992-93, two thirty-firsts of receipts are transferred semiannually to the Children's Health Insurance Program (CHIP). After January 1, 1997, the transfer amount was increased to three thirty-firsts of receipts. Beginning in fiscal year 1993-94, two thirty-firsts of receipts are transferred semiannually to the Agricultural Conservation Easement Purchase Fund. The revenues shown for the General Fund 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 (2/3¢) per half pint of 8 fluid ounces or fraction thereof, and in larger quantities at the rate of one cent (1¢) per pint of 16 fluid ounces or fraction thereof.

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



# General Fund Revenue Sources

## Liquor Tax

---

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

**Tax Rate:** The rate is 18 percent of the net retail purchase price.

**Reference:** Purdon's Title 72 P.S. §794—§796.

## Personal Income Tax

---

**Tax Base:** The tax is paid by all residents, resident trust and estates on eight separate classes of income: (1) compensation, (2) net profits, (3) interest, (4) dividends, (5) income from the disposition of property, (6) rents and royalties, (7) gambling and lottery winnings (except Pennsylvania Lottery winnings won after July 20, 1983), and (8) income from estates and trusts. The tax is also paid by non-resident individuals, estates and trusts on the following income from sources within the Commonwealth: compensation for personal services performed in Pennsylvania unless the taxpayer is a resident of a state with which there is a reciprocal agreement; net profits from activity conducted in Pennsylvania; 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. A credit is available to those individuals receiving tax forgiveness under the special provisions for poverty. Beginning in 1999, a qualified single individual with eligibility income of \$6,500 or less would receive 100% tax forgiveness. The amount of forgiveness declines by 10% for each \$250 of income. The eligibility income limit for each qualifying dependent of a claimant for tax forgiveness under the special tax provisions for poverty is \$6,500.

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

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

**Proposed Change:** The eligibility income limit for each qualifying dependent of a claimant for tax forgiveness under the special tax provisions for poverty is proposed to be increased. The exemption for each claimant's dependent is proposed to rise by \$1,000 to \$7,500. The increased exemption is proposed to be effective January 1, 2000.

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

## Realty Transfer Tax

---

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

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

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



## Inheritance and Estate Taxes

---

**Tax Base:** The Inheritance Tax is imposed on the value of property transferred to beneficiaries of a deceased person and 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. Transfers to a spouse of non-jointly held property are tax exempt for decedents dying on or after January 1, 1995.

**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 Spirituous and Vinous Liquors Tax, Acts of December 5, 1933, P.L. 38 (Special Session) and December 22, 1933, P.L. 91 (Special Session) (Purdon's Title 47 P.S. §745), and excess Vehicle Rental Tax, Act of June 16, 1994, P.L. 279 (Purdon's Title 72 P.S. §8601).

## State Stores Fund Transfer

---

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

## Licenses, Fees and Miscellaneous Revenue

---

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

Miscellaneous revenues include all other income to be used for general appropriation purposes in the General Fund, except monies which are given to the Commonwealth by individuals, or are provided by law to be deposited in the Judicial Computer System Augmentation Account in accordance with Act 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 penalties and interest collected in the enforcement of corporation taxes.

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

# General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Estimated	2000-01 Budget
<b>TAX REVENUE</b>			
Corporate Net Income Tax.....	\$ 1,724,945	\$ 1,739,700	\$ 1,792,000
<b>Capital Stock and Franchise Taxes</b>			
Capital Stock Taxes — Domestic.....	\$ 509,589	\$ 464,426	\$ 490,315
Franchise Taxes — Foreign.....	590,729	538,374	568,385
<b>SUBTOTAL</b> .....	<b>\$ 1,100,318</b>	<b>\$ 1,002,800</b>	<b>\$ 1,058,700</b>
<b>Gross Receipts Tax</b>			
Electric, Hydroelectric and Water Power.....	\$ 416,140	\$ 418,300	\$ 442,900
Gas.....	79,277	0	0
Motor Transportation.....	597	0	0
Telephone and Telegraph.....	170,786	174,200	179,900
Transportation.....	3,438	1,500	1,300
<b>SUBTOTAL</b> .....	<b>\$ 670,238</b>	<b>\$ 594,000</b>	<b>\$ 624,100</b>
Public Utility Realty Tax.....	\$ 124,588	\$ 92,700	\$ 28,400
<b>Insurance Premiums Tax</b>			
Domestic Casualty.....	\$ 52,194	\$ 49,744	\$ 51,757
Domestic Fire.....	20,782	19,806	20,608
Domestic Life and Previously Exempted Lines.....	46,706	44,513	46,315
Excess Insurance Brokers.....	7,921	7,549	7,855
Foreign Excess Casualty.....	4,528	4,315	4,490
Foreign Excess Fire.....	4,796	4,571	4,756
Foreign Life.....	117,374	111,864	116,390
Marine.....	157	150	156
Title Insurance.....	3,896	3,713	3,863
Unauthorized Insurance.....	3,541	3,375	3,510
<b>SUBTOTAL</b> .....	<b>\$ 261,895</b>	<b>\$ 249,600</b>	<b>\$ 259,700</b>
<b>Financial Institutions Taxes</b>			
Federal Mutual Thrift Institutions.....	\$ 2,435	\$ 2,620	\$ 2,678
National Banks.....	144,099	151,889	159,922
State Banks.....	18,513	19,514	20,546
State Mutual Thrift Institutions.....	18,667	20,080	20,522
Trust Companies.....	9,579	10,097	10,632
<b>SUBTOTAL</b> .....	<b>\$ 193,293</b>	<b>\$ 204,200</b>	<b>\$ 214,300</b>
<b>Other Selective Business Taxes</b>			
Corporate Loans — Domestic.....	\$ 9,045	\$ 8,886	\$ 8,886
Corporate Loans — Foreign.....	3,426	3,366	3,366
Miscellaneous Business Taxes.....	252	248	248
Corporation Taxes — Clearing Accounts Undistributed.....	-131	0	0
<b>SUBTOTAL</b> .....	<b>\$ 12,592</b>	<b>\$ 12,500</b>	<b>\$ 12,500</b>
<b>Sales and Use Tax</b>			
Motor Vehicle.....	\$ 929,409	\$ 1,031,000	\$ 1,076,400
Non-Motor Vehicle.....	5,676,347	5,954,200	6,178,400
<b>SUBTOTAL</b> .....	<b>\$ 6,605,756</b>	<b>\$ 6,985,200</b>	<b>\$ 7,254,800</b>
Cigarette Tax.....	\$ 275,786	\$ 276,300	\$ 270,600
Malt Beverage Tax.....	\$ 25,483	\$ 25,700	\$ 25,700
Liquor Tax.....	\$ 144,990	\$ 147,900	\$ 154,100

\* Less than \$500.



# General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Estimated	2000-01 Budget
<b>Personal Income Tax</b>			
Withholding.....	\$ 1,763,911	\$ 5,195,300	\$ 5,413,500
Non-Withholding.....	4,919,664	1,800,400	1,910,400
<b>SUBTOTAL.....</b>	<b>\$ 6,683,575</b>	<b>\$ 6,995,700</b>	<b>\$ 7,323,900</b>
<b>Realty Transfer Tax.....</b>	<b>\$ 257,959</b>	<b>\$ 274,600</b>	<b>\$ 283,800</b>
<b>Inheritance Tax</b>			
Nonresident Inheritance and Estate Tax.....	\$ 3,714	\$ 4,001	\$ 4,293
Resident Inheritance and Estate Tax.....	756,984	815,499	875,007
<b>SUBTOTAL.....</b>	<b>\$ 760,698</b>	<b>\$ 819,500</b>	<b>\$ 879,300</b>
<b>Minor and Repealed Taxes</b>			
Spiritous and Vinous Liquors Tax.....	\$ 38	\$ 26	\$ 26
Excess Vehicle Rental Tax.....	5,497	5,600	5,700
Job Creation Tax Credit.....	-14,315	-8,000	-3,000
Payments of Intergrated Taxes (KITS).....	-440	0	0
Tax on Writs, Wills and Deeds.....	1,541	974	974
Unallocated EFT Payments.....	-107	0	0
<b>SUBTOTAL.....</b>	<b>\$ -7,786</b>	<b>\$ -1,400</b>	<b>\$ 3,700</b>
<b>TOTAL TAX REVENUE.....</b>	<b>\$ 18,834,330</b>	<b>\$ 19,419,000</b>	<b>\$ 20,185,600</b>
<b>NONTAX REVENUES</b>			
State Stores Fund Transfer.....	\$ 50,000	\$ 50,000	\$ 50,000
<b>Licenses, Fees and Miscellaneous</b>			
<b>Executive Offices</b>			
<b>LICENSES AND FEES</b>			
Attorney Continuing Legal Education.....	\$ 12	\$ 20	\$ 20
<b>MISCELLANEOUS REVENUE</b>			
Crime Victims Award Restitution.....	-98	0	0
Interest from Federal Government — CMIA - 90.....	2,692	1,400	1,400
Interest Transferred to Employee Benefits.....	-7,298	-7,100	-7,100
Interest Transferred to Federal JAIBG Program.....	-9	0	0
Miscellaneous.....	6	10	10
Refunds Of Expenditures Not Credited To Appropriations.....	1,535	1,000	1,000
<b>SUBTOTAL.....</b>	<b>\$ -3,160</b>	<b>\$ -4,670</b>	<b>\$ -4,670</b>
<b>Lieutenant Governor's Office</b>			
<b>LICENSES AND FEES</b>			
Board Of Pardons Fees.....	\$ 5	\$ 5	\$ 5
Board Of Pardons — Filing Fees.....	4	4	4
<b>MISCELLANEOUS REVENUE</b>			
Refunds of Expend Not Credited To Approp.....	*	0	0
<b>SUBTOTAL.....</b>	<b>\$ 9</b>	<b>\$ 9</b>	<b>\$ 9</b>
<b>Auditor General</b>			
<b>LICENSES AND FEES</b>			
Filing Fees — Board of Arbitration of Claims.....	\$ 10	\$ 13	\$ 13
<b>Attorney General</b>			
<b>MISCELLANEOUS REVENUE</b>			
Assessed Civil Penalties Payments.....	\$ 239	\$ 170	\$ 157
Miscellaneous Interest Offset for Appropriation 611.....	-61	-61	-79
Miscellaneous.....	69	26	26
Refunds Of Expenditures Not Credited To Appropriations.....	20	7	5
<b>SUBTOTAL.....</b>	<b>\$ 267</b>	<b>\$ 142</b>	<b>\$ 109</b>

\* Less than \$500.



# General Fund Revenue Detail

(Dollar Amounts in Thousands)

1998-99 Actual      1999-00 Estimated      2000-01 Budget

## Treasury Department

### MISCELLANEOUS REVENUE

Allocation Of Treasury Costs.....	\$	1,999	\$	3,000	\$	2,500
Depository Adjustments.....		2		1		2
Interest Transferred to Asbestos/Lead Account.....		-85		0		0
Interest Transferred to Hodge Trust Fund.....		-8		-10		-9
Interest on Average Collected Balance - WIC Program.....		59		57		60
Interest On Deposits.....		300		340		350
Interest On Securities — Liquor License Fund.....		90		90		92
Interest On Securities.....		123,751		152,750		153,997
Interest Transferred — Lawrence County Audit.....		0		-2		0
Miscellaneous.....		278		100		50
Premium And Discount On Tax Notes Sold.....		0		0		1,000
Redeposit Of Checks.....		2,154		1,000		1,000
Refunds Of Expenditures Not Credited To Appropriations.....		0		3		3
Unclaimed Property — Administration Cost Reimbursements.....		-7,093		-6,300		-7,000
Unclaimed Property — Claim Payments.....		-9,047		-23,826		-15,000
Unclaimed Property — Financial Institution Deposits.....		23,467		14,295		20,000
Unclaimed Property — Other Holder Deposits.....		33,851		45,269		40,000
<b>SUBTOTAL.....</b>	<b>\$</b>	<b>169,718</b>	<b>\$</b>	<b>186,767</b>	<b>\$</b>	<b>197,045</b>

## Department of Agriculture

### LICENSES AND FEES

Abattoir Licenses.....	\$	10	\$	5	\$	5
Approved Inspectors Certificate And Registration Fees.....		4		4		4
Domestic Animal Dealers' Licenses.....		36		30		33
Eating & Drinking Licenses.....		1,187		1,187		1,187
Egg Certification Fees.....		12		12		11
Egg Opening Licenses.....		*		*		*
Farm Products Inspection Fees.....		54		48		48
Garbage Feeders Licenses.....		1		1		1
Ice Cream Licenses.....		165		164		164
Livestock Branding Fees.....		*		*		*
Maple Syrup Program.....		1		1		1
Miscellaneous Licenses And Fees.....		14		14		14
Poultry Technician Licenses.....		1		1		1
Public Weighmasters' Liquid Fuel License — State Share.....		88		90		90
Registration Fee — Food Establishment.....		236		235		235
Rendering Plant Licenses.....		2		3		2
Lab Directors Exam Fees.....		0		1		1
Seed Testing And Certification Fees.....		55		55		55
Veterinarian Diagnostic Laboratory Fees.....		283		280		234

### MISCELLANEOUS REVENUE

Miscellaneous.....		*		0		0
Telephone Commissions.....		*		0		0
Refunds Of Expenditures Not Credited To Appropriations.....		11		0		0
<b>SUBTOTAL.....</b>	<b>\$</b>	<b>2,160</b>	<b>\$</b>	<b>2,131</b>	<b>\$</b>	<b>2,086</b>

## Civil Service Commission

### MISCELLANEOUS REVENUE

Miscellaneous.....	\$	*	\$	*	\$	*
--------------------	----	---	----	---	----	---

## Department of Conservation and Natural Resources

### MISCELLANEOUS REVENUE

Camp Leases.....	\$	612	\$	615	\$	615
Ground Rents.....		13		13		13
Housing Rents.....		26		26		26
Minerals Sales.....		3		4		4
Miscellaneous.....		56		60		60

\* Less than \$500.





# General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Estimated	2000-01 Budget
<b>Department of Conservation and Natural Resources (continued)</b>			
Refunds Of Expenditures Not Credited To Appropriations.....	\$ 30	\$ 30	\$ 30
Rights-Of-Way.....	392	395	395
Sales Tax Escrow Account.....	6	6	6
Telephone Commissions.....	11	11	11
Water Leases.....	16	17	17
<b>SUBTOTAL.....</b>	<b>\$ 1,165</b>	<b>\$ 1,177</b>	<b>\$ 1,177</b>
<b>Department of Corrections</b>			
<b>MISCELLANEOUS REVENUE</b>			
Antitrust Case Payments.....	\$ 12	\$ 15	\$ 15
Miscellaneous.....	280	280	650
Refunds Of Expenditures Not Credited To Appropriations.....	156	175	182
Restitution Payments.....	1	1	1
Telephone Commissions.....	6,715	6,800	6,800
<b>SUBTOTAL.....</b>	<b>\$ 7,164</b>	<b>\$ 7,271</b>	<b>\$ 7,648</b>
<b>Department of Community and Economic Development</b>			
<b>LICENSES AND FEES</b>			
Municipal Indebtedness Fees.....	\$ 268	\$ 275	\$ 280
<b>MISCELLANEOUS REVENUE</b>			
Infrastructure Developer - Loan Repayments.....	257	250	250
Interest From Grantees.....	95	100	100
Housing and Redevelopment Loan Repayments.....	349	325	325
Miscellaneous.....	756	725	620
Nursing Home Loans — Repayments.....	50	50	45
PNHLA Portfolio Sale Proceeds.....	150	100	75
PNHLA Prior Year In-Tran.....	4,444	4,000	4,500
Refunds of Expenditures Not Credited to Appropriations.....	1,142	750	750
Repayable Grant Payments.....	1,848	1,800	1,500
<b>SUBTOTAL.....</b>	<b>\$ 9,359</b>	<b>\$ 8,375</b>	<b>\$ 8,445</b>
<b>Department of Education</b>			
<b>LICENSES AND FEES</b>			
Fees For GED Transcripts.....	\$ 27	\$ 30	\$ 30
Fees For Licensing Private Schools.....	204	225	240
PDE Fees Transcripts — Closed Private Schools.....	*	*	*
Private Academic School Teacher Certification Fees.....	11	13	13
Fees For Licensing Private Driver Training Schools.....	61	75	75
Secondary Education Evaluation Fees.....	29	32	35
Teacher Certification Fees.....	458	468	515
<b>MISCELLANEOUS REVENUE</b>			
Miscellaneous.....	*	0	0
<b>SUBTOTAL.....</b>	<b>\$ 790</b>	<b>\$ 843</b>	<b>\$ 908</b>
<b>Emergency Management Agency</b>			
<b>MISCELLANEOUS REVENUE</b>			
Miscellaneous.....	\$ *	\$ 0	\$ 0
Refunds of Expenditures Not Credited to Appropriations.....	5	0	0
<b>SUBTOTAL.....</b>	<b>\$ 5</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Department of Environmental Protection</b>			
<b>LICENSES AND FEES</b>			
Anthracite Miners' Examination and Certification Fees.....	\$ *	\$ 0	\$ 0
Bathing Place Licenses.....	*	0	0
Bituminous Miners' Examination and Certification Fees.....	1	1	1
Blasters' Examination and Licensing Fees.....	29	29	29
Dams And Encroachment Fees.....	210	210	210
Examination and Certification Fees.....	3	3	3

\* Less than \$500.



# General Fund Revenue Detail

(Dollar Amounts in Thousands)

1998-99 Actual      1999-00 Estimated      2000-01 Budget

## Department of Environmental Protection (continued)

Explosives Storage Permit Fees.....	\$ 67	\$ 67	\$ 67
Hazardous Waste Facility Annual Permit Administration Fees.....	63	63	63
Hazardous Waste Facility Permit Application Fees.....	40	40	40
Hazardous Waste Transporter License and Fees.....	71	71	71
Hazardous Waste Storage-Disposal Fac-Fee.....	88	88	88
Infectious and Chemical Waste Transport Fees.....	10	9	9
Municipal Waste Annual Permit Administration Fees.....	184	184	184
Municipal Waste Permit Application Fees.....	116	116	116
Residual Waste Closure Administration Fees.....	11	11	11
Residual Waste Permit Administration Fees.....	194	194	194
Residual Waste Permit Application/Modification Fees.....	54	54	54
Sewage Permit Fees.....	384	384	384
Submerged Land Fees.....	57	57	57
Water Bacteriological Examination Fees.....	29	29	29
Water Power and Supply Permit Fees.....	85	85	85

## MISCELLANEOUS REVENUE

Ground Rentals.....	10	10	10
Interest Income - Water Facilities.....	0	100	100
Interest on Loan Payments.....	968	1,200	1,000
Interest Payments — Mine Subsidence.....	5	5	5
Miscellaneous.....	67	67	67
Payment To Occupy Submerged Lands.....	190	190	190
Penalty Charges — Delinquent Interest.....	1	10	10
Refunds of Expenditures Not Credited to Appropriations.....	76	76	76
Repayment Of Loans — Water Facilities.....	4,218	1,700	1,500
Rights-of-Way.....	14	14	14
Royalties for Recovery Of Materials — Schuylkill River.....	102	102	102
Sales Tax Escrow Account.....	*	0	0
Sales Tax — Allegheny County.....	-	0	0
Sewage Treatment And Waterworks Application Fees.....	96	96	96
Surface Subsidence Assistance Loans — Repayments.....	27	27	27
<b>SUBTOTAL.....</b>	<b>\$ 7,470</b>	<b>\$ 5,292</b>	<b>\$ 4,892</b>

## Department of General Services

### MISCELLANEOUS REVENUE

Allocation Of Purchasing Costs Job 7.....	\$ 1,844	\$ 1,844	\$ 1,844
Allocation Of Purchasing Costs Job 19.....	1,193	1,193	1,193
Miscellaneous.....	452	452	452
Real Estate Services.....	265	265	265
Recovery On Insurance And Surety Bonds.....	10	0	0
Refunds of Expenditures Not Credited to Appropriations.....	13	0	0
Rental Of State Property.....	208	125	125
Sale Of Publications.....	38	38	38
Sale Of State Property.....	4,391	18,037	1,000
Sale Of Unserviceable Property.....	19	600	50
<b>SUBTOTAL.....</b>	<b>\$ 8,433</b>	<b>\$ 22,554</b>	<b>\$ 4,967</b>

## Department of Health

### LICENSES AND FEES

Bathing Place Program — Application Fees.....	\$ 2	\$ 2	\$ 2
Hospice Licensing Fees.....	28	30	32
Immunization Service Fees.....	74	74	74
Life Safety Code Inspection Fees.....	228	250	250
Miscellaneous Licensure Fees.....	100	97	95
Nursing Home Licenses.....	390	403	403
Profit Making Hospital Licenses.....	223	225	225
Organized Camps Program Fees.....	5	7	7
Registration Fees — Hearing Aid Act.....	108	123	123
Registration Fees — Drugs Devices and Cosmetics Act.....	346	349	349

\* Less than \$500.



# General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Estimated	2000-01 Budget
<b>Department of Health (continued)</b>			
Vital Statistics Fees.....	\$ 2,856	\$ 3,029	\$ 3,127
Wholesale Prescription Drug Distribution Licenses.....	43	47	51
<b>MISCELLANEOUS REVENUE</b>			
Interest Transferred to Share Loan Program.....	-6	-6	-6
Miscellaneous.....	144	100	100
Refunds of Expenditures Not Credited to Appropriations.....	0	6	6
<b>SUBTOTAL.....</b>	<b>\$ 4,541</b>	<b>\$ 4,736</b>	<b>\$ 4,838</b>
<b>Historical and Museum Commission</b>			
<b>MISCELLANEOUS REVENUE</b>			
Miscellaneous.....	\$ *	\$ 1	\$ 1
Refunds of Expenditures Not Credited to Appropriations.....	43	20	20
<b>SUBTOTAL.....</b>	<b>\$ 43</b>	<b>\$ 21</b>	<b>\$ 21</b>
<b>Insurance Department</b>			
<b>LICENSES AND FEES</b>			
Agents' and Brokers' Certification Fees.....	\$ 617	\$ 636	\$ 650
Agents' Licenses.....	10,785	10,500	10,500
Brokers' Licenses.....	68	70	70
Division of Companies Certification — Certificates and Filing Fees.....	731	775	775
Examination Fees and Expenses.....	2,240	2,410	2,410
Market Conduct Examination Fees.....	249	225	250
Miscellaneous Fees.....	2	3	3
Miscellaneous Licenses.....	17	20	20
New Applicants.....	1,093	1,015	1,000
Physical Damage Appraiser License.....	27	30	30
Renewals.....	2,675	1,800	2,300
Valuation of Policies Fees.....	3,467	3,100	3,100
<b>MISCELLANEOUS REVENUE</b>			
Miscellaneous.....	338	300	300
Refunds of Expenditures Not Credited to Appropriations.....	1	0	0
<b>SUBTOTAL.....</b>	<b>\$ 22,310</b>	<b>\$ 20,884</b>	<b>\$ 21,408</b>
<b>Department of Labor and Industry</b>			
<b>LICENSES AND FEES</b>			
Approval of Building Plan Fees.....	\$ 5,566	\$ 5,000	\$ 5,000
Approval of Elevator Plan Fees.....	417	300	325
Bedding And Upholstery Fees.....	556	525	525
Boiler Inspection Fees.....	2,398	2,500	2,500
Elevator Inspection Fees.....	1,838	1,900	1,900
Employment Agency Licenses.....	35	34	34
Employment Agents' Registration Fees.....	4	4	4
Flammable Liquids Storage Fees.....	96	80	80
Industrial Homework Permit Fees.....	0	*	*
Liquefied Petroleum Gas Registration Fees.....	194	200	200
Projectionists' Examination And License Fees.....	7	7	7
Stuffed Toys Manufacturers' Registration Fees.....	62	50	55
<b>MISCELLANEOUS REVENUE</b>			
Act 64-Contra Miscellaneous Revenue Code.....	\$ *	\$ 0	\$ 3
CETA Audit Settlement.....	4	0	0
Miscellaneous.....	5	3	0
Refunds of Expenditures Not Credited to Appropriations.....	19	0	0
<b>SUBTOTAL.....</b>	<b>\$ 11,201</b>	<b>\$ 10,603</b>	<b>\$ 10,633</b>

\* Less than \$500.



# General Fund Revenue Detail

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Estimated	2000-01 Budget
<b>Department of Military and Veterans Affairs</b>			
<b>MISCELLANEOUS REVENUE</b>			
Miscellaneous.....	\$ 0	\$ 1	\$ 1
Refunds of Expenditures Not Credited to Appropriations.....	64	90	90
Telephone Commissions.....	2	6	1
<b>SUBTOTAL.....</b>	<b>\$ 66</b>	<b>\$ 97</b>	<b>\$ 92</b>
<b>Board of Probation and Parole</b>			
<b>MISCELLANEOUS REVENUE</b>			
Miscellaneous.....	\$ *	\$ 0	\$ 0
Refunds of Expenditures Not Credited to Appropriations.....	12	0	0
<b>SUBTOTAL.....</b>	<b>\$ 12</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Public Utility Commission</b>			
<b>MISCELLANEOUS REVENUE</b>			
Refunds of Expenditures Not Credited to Appropriations.....	\$ 3	\$ *	\$ *
<b>Department of Public Welfare</b>			
<b>LICENSES AND FEES</b>			
Private Mental Hospital Licenses.....	\$ 56	\$ 60	\$ 60
<b>MISCELLANEOUS REVENUE</b>			
Miscellaneous.....	46	45	45
Refunds of Expenditures Not Credited to Appropriations.....	41	116	116
Telephone Commissions.....	47	46	46
<b>SUBTOTAL.....</b>	<b>\$ 190</b>	<b>\$ 267</b>	<b>\$ 267</b>
<b>Department of Revenue</b>			
<b>LICENSES AND FEES</b>			
Certification And Copy Fees.....	\$ 34	\$ 35	\$ 35
Cigarette Permit Fees.....	663	680	690
Domestic Violence and Rape Crisis Program Fee.....	2,070	2,000	2,000
Uniform Commercial Fee Act 1992-67.....	8,495	8,500	8,500
<b>MISCELLANEOUS REVENUE</b>			
Distribution Due Absentee.....	64	-175	-175
District Justice Costs.....	7,631	11,000	11,000
Donations.....	1	0	0
Exempt Collections Per Act 1992-67.....	12,036	12,000	12,000
Income Tax Check-Offs — Olympics.....	38	50	50
Miscellaneous.....	7	12	12
Refunds of Expenditures Not Credited to Appropriations.....	2	3	3
<b>SUBTOTAL.....</b>	<b>\$ 31,041</b>	<b>\$ 34,105</b>	<b>\$ 34,115</b>
<b>Securities Commission</b>			
<b>LICENSES AND FEES</b>			
Associated Persons — Initial.....	\$ 24	\$ 33	\$ 38
Associated Persons — Renewal.....	93	100	105
Associated Persons — Transfer.....	1	3	3
Brokers, Dealers Registration Fees — Initial.....	86	87	95
Brokers, Dealers Registration Fees — Renewal.....	589	612	634
Costs — Examination, Auditing, Investigation, Prosecution — Except Takeover Costs.....	*	*	*
Investment Advisors Filing Fees — Initial.....	19	20	20
Investment Advisors Filing Fees — Renewal.....	88	85	90
Investment Advisors — Notice Filings Initial.....	19	18	30
Investment Advisors — Notice Filings Renewal.....	128	202	210
Mutual Funds — Increase in Amount of Filing.....	451	400	400
Mutual Funds — Initial Filing.....	976	975	975
Mutual Funds — Renewal Filing.....	4,455	4,400	4,000
Mutual Funds — Unregistered Sales.....	0	35	35
506 RD Filings.....	343	340	340

\* Less than \$500.



# General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Estimated	2000-01 Budget
<b>Securities Commission (continued)</b>			
Section 202G Securities Exemption Fees.....	\$ 3	\$ 0	\$ 0
Section 203 (D) — Increase in Amount of Filing.....	2	2	2
Section 203 (D) — Initial Filing.....	268	250	250
Section 203 (I) (O) (II) — Initial Filing.....	2	3	2
Section 203(N) — Initial Filing.....	1	0	0
Section 203(P) — Initial Filing.....	0	*	*
Section 203(S) — Initial Filing.....	1	4	4
Section 203(T) — Filing.....	4	12	12
Section 205 — Security Registration and Amendment Fees.....	57	60	60
Section 206 — Increase in Amount of Filing.....	1	1	1
Section 206 — Qualification Filing — Initial.....	85	85	85
Securities Agents Filing Fees — Initial.....	1,945	2,490	2,728
Securities Agents Filing Fees — Renewal.....	5,611	6,000	6,420
Securities Agents Filing Fees — Transfer.....	323	160	165
Takeover Disclosure Filing Fees.....	6	5	5
<b>MISCELLANEOUS REVENUE</b>			
Miscellaneous.....	*	0	0
<b>SUBTOTAL.....</b>	<b>\$ 15,581</b>	<b>\$ 16,382</b>	<b>\$ 16,709</b>
<b>Department of State</b>			
<b>LICENSES AND FEES</b>			
Charities Bureau Registration Fees.....	\$ 1,361	\$ 1,078	\$ 1,078
Commission and Filing Fees — Bureau Of Elections.....	468	325	325
Commission and Filing Fees — Corporation Bureau.....	8,999	9,092	9,274
Commission Fees.....	50	62	62
Notary Public Commission Fees.....	954	1,080	1,080
<b>MISCELLANEOUS REVENUE</b>			
Miscellaneous.....	*	0	0
Refunds of Expenditures Not Credited to Appropriations.....	5	0	0
<b>SUBTOTAL.....</b>	<b>\$ 11,837</b>	<b>\$ 11,637</b>	<b>\$ 11,819</b>
<b>State Police</b>			
<b>MISCELLANEOUS REVENUE</b>			
Act 64 - Contra Miscellaneous Revenue.....	\$ -2	\$ 0	\$ 0
Miscellaneous.....	305	305	305
Reimbursement For Lost Property.....	3	3	3
Refunds of Expenditures Not Credited to Appropriations.....	300	302	302
Telephone Commissions.....	*	0	0
<b>SUBTOTAL.....</b>	<b>\$ 606</b>	<b>\$ 610</b>	<b>\$ 610</b>
<b>Department of Transportation</b>			
<b>MISCELLANEOUS REVENUE</b>			
Interest — Railroad Rehabilitation.....	\$ -9	\$ -10	\$ -10
Refunds of Expenditures Not Credited to Interest.....	*	0	0
<b>SUBTOTAL.....</b>	<b>\$ -9</b>	<b>\$ -10</b>	<b>\$ -10</b>
<b>Other</b>			
<b>MISCELLANEOUS REVENUE</b>			
Conscience Money.....	\$ 3	\$ 0	\$ 0
Payments in Lieu of Taxes — SWIF.....	1,588	1,240	1,260
Transfers From Special Funds.....	11,981	11,924	10,409
<b>SUBTOTAL.....</b>	<b>\$ 13,572</b>	<b>\$ 13,164</b>	<b>\$ 11,669</b>
<b>Total Licenses, Fees and Miscellaneous.....</b>	<b>\$ 314,384</b>	<b>\$ 342,400</b>	<b>\$ 334,800</b>
<b>Fines, Penalties and Interest on Taxes</b>			
Corporation Net Income Tax.....	\$ 11,008	\$ 10,724	\$ 10,724
Interest on Excise Taxes — Corporations (Department of Revenue).....	13,921	13,560	13,560
Penalties on Excise Taxes — Corporations.....	1,762	1,716	1,716
<b>SUBTOTAL.....</b>	<b>\$ 26,691</b>	<b>\$ 26,000</b>	<b>\$ 26,000</b>

\* Less than \$500.



# General Fund Revenue Detail

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Estimated	2000-01 Budget
<b>Other Fines and Penalties</b>			
<b>Department of Agriculture</b>			
Amusement Rides and Attractions — Fines.....	\$ 0	\$ *	\$ 1
Egg Fines.....	*	*	*
General Food Fines.....	5	4	4
Harness Racing Fines and Penalties.....	39	35	35
Horse Racing Fines and Penalties.....	22	39	39
Marking Law Fines.....	0	*	*
Miscellaneous Fines.....	1	0	0
Seasonal Farm Laborers Fines and Penalties.....	3	1	1
<b>Department of Conservation and Natural Resources</b>			
Miscellaneous Fines.....	1	2	2
<b>Department of Environmental Protection</b>			
Miscellaneous Fines.....	*	0	0
<b>Ethics Commission</b>			
Violations-Act 1978-170.....	7	15	15
<b>Department of General Services</b>			
Traffic Violation Fines.....	24	24	24
<b>Department of Health</b>			
Non-Compliance Fines And Penalties.....	9	0	0
<b>Department of Insurance</b>			
Miscellaneous Fines.....	806	765	759
<b>Department of Labor and Industry</b>			
Minor Labor Law Fines.....	3	4	4
Miscellaneous Fines.....	24	25	25
<b>Public Utility Commission</b>			
Violation Of Order Fines.....	359	360	375
<b>Department of Public Welfare</b>			
Miscellaneous Fines & Penalties.....	6	6	6
<b>Department of Revenue</b>			
Malt Liquor Fines and Penalties.....	10	20	10
Motor Law Fines Prior To 7/1/76.....	*	0	0
<b>Department of State</b>			
Penalties and Fines - Charities Bureau.....	-69	0	0
SUBTOTAL.....	<u>\$ 1,250</u>	<u>\$ 1,300</u>	<u>\$ 1,300</u>
Total Fines, Penalties and Interest.....	<u>\$ 27,941</u>	<u>\$ 27,300</u>	<u>\$ 27,300</u>
TOTAL NONTAX REVENUES.....	<u>\$ 392,325</u>	<u>\$ 419,700</u>	<u>\$ 412,100</u>
TOTAL GENERAL FUND REVENUES.....	<u>\$ 19,226,655</u>	<u>\$ 19,838,700</u>	<u>\$ 20,597,700</u>

\* Less than \$500.



# General Fund Revenue Summary

## Revenue History

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

	(Dollar Amounts in Thousands)					
	1993-94 Actual	1994-95 Actual	1995-96 Actual	1996-97 Actual	1997-98 Actual	1998-99 Actual
<b>TAX REVENUE</b>						
<b>Corporation Taxes</b>						
Corporate Net Income Tax.....	\$ 1,554,112	\$ 1,905,933	\$ 1,625,889	\$ 1,697,077	\$ 1,703,241	\$ 1,724,945
Capital Stock and Franchise Taxes..	881,128	894,032	879,543	954,503	1,030,450	1,100,318
Selective Business:						
Gross Receipts Tax.....	646,413	683,892	665,606	717,508	729,378	670,238
Public Utility Realty Tax.....	156,616	154,031	151,003	137,164	102,342	124,588
Insurance Premiums Tax.....	266,909	253,270	228,256	202,157	217,701	261,895
Financial Institutions Tax.....	160,931	172,924	176,529	187,719	202,393	193,293
Other Selective Business Taxes.....	12,591	13,545	12,417	12,992	12,848	12,592
<b>Total — Corporation Taxes.....</b>	<b>\$ 3,678,700</b>	<b>\$ 4,077,627</b>	<b>\$ 3,739,243</b>	<b>\$ 3,909,120</b>	<b>\$ 3,998,353</b>	<b>\$ 4,087,869</b>
<b>Consumption Taxes</b>						
Sales and Use Tax.....	\$ 5,124,463	\$ 5,526,850	\$ 5,682,355	\$ 6,036,480	\$ 6,152,191	\$ 6,605,756
Cigarette Tax.....	307,679	298,587	297,660	291,590	278,994	275,786
Malt Beverage Tax.....	26,258	25,517	25,464	25,216	25,276	25,483
Liquor Tax.....	119,985	121,187	124,044	130,660	136,115	144,990
<b>Total — Consumption Taxes.....</b>	<b>\$ 5,578,385</b>	<b>\$ 5,972,141</b>	<b>\$ 6,129,523</b>	<b>\$ 6,483,946</b>	<b>\$ 6,592,576</b>	<b>\$ 7,052,015</b>
<b>Other Taxes</b>						
Personal Income Tax.....	\$ 4,872,745	\$ 5,083,152	\$ 5,374,301	\$ 5,745,633	\$ 6,236,383	\$ 6,683,575
Realty Transfer Tax.....	207,706	175,299	178,164	200,927	241,458	257,959
Inheritance Tax.....	603,985	576,033	553,477	615,495	710,904	760,698
Minor and Repealed Taxes.....	1,320	1,401	1,055	3,047	-4,921	-7,786
<b>Total — Other Taxes.....</b>	<b>\$ 5,685,756</b>	<b>\$ 5,835,885</b>	<b>\$ 6,106,997</b>	<b>\$ 6,565,102</b>	<b>\$ 7,183,824</b>	<b>\$ 7,694,446</b>
<b>TOTAL TAX REVENUE.....</b>	<b>\$ 14,942,841</b>	<b>\$ 15,885,653</b>	<b>\$ 15,975,763</b>	<b>\$ 16,958,168</b>	<b>\$ 17,774,753</b>	<b>\$ 18,834,330</b>
<b>NONTAX REVENUE</b>						
State Stores Fund Transfer.....	\$ 47,000	\$ 60,000	\$ 42,000	\$ 50,000	\$ 50,000	\$ 50,000
Licenses, Fees and Miscellaneous:						
Licenses and Fees.....	65,684	63,796	68,665	72,830	76,994	81,212
Miscellaneous.....	130,372	183,532	231,051	207,539	193,064	233,172
Fines, Penalties and Interest:						
On Taxes.....	22,500	31,052	20,474	29,463	26,095	26,691
Other.....	2,345	651	585	2,554	2,262	1,250
<b>TOTAL NONTAX REVENUES.....</b>	<b>\$ 267,901</b>	<b>\$ 339,031</b>	<b>\$ 362,775</b>	<b>\$ 362,386</b>	<b>\$ 348,415</b>	<b>\$ 392,325</b>
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 15,210,742</b>	<b>\$ 16,224,684</b>	<b>\$ 16,338,538</b>	<b>\$ 17,320,554</b>	<b>\$ 18,123,168</b>	<b>\$ 19,226,655</b>





---

# MOTOR LICENSE FUND

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

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





## Financial Statement \*

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
<b>Beginning Balance</b> .....	\$ 108,477	\$ 89,454	\$ 69,090
<b>Revenue:</b>			
Revenue Receipts.....	\$ 1,885,009	\$ 1,923,120	\$ 1,929,560
Prior Year Lapses .....	33,848	18,000	0
<b>Funds Available</b> .....	<u>\$ 2,027,334</u>	<u>\$ 2,030,574</u>	<u>\$ 1,998,650</u>
<b>Expenditures:</b>			
Appropriations.....	\$ 1,950,417	\$ 1,967,984	\$ 1,994,997
Less Current Year Lapses .....	-12,537	-6,500	0
Estimated Expenditures .....	<u>\$ -1,937,880</u>	<u>\$ -1,961,484</u>	<u>\$ -1,994,997</u>
<b>Ending Balance</b> .....	<u>\$ 89,454</u>	<u>\$ 69,090</u>	<u>\$ 3,653</u>

\* Excludes restricted revenue.



## Summary by Department

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Estimate	2000-01 Budget
<b>Executive Offices</b>			
<b>General Government</b>			
Office of the Budget.....	\$ 4,093	\$ 4,272	\$ 4,386
Statewide Public Safety Radio System.....	0	0	612
<b>TOTAL STATE FUNDS</b> .....	<b>\$ 4,093</b>	<b>\$ 4,272</b>	<b>\$ 4,998</b>
Augmentations.....	\$ 727	\$ 810	\$ 812
<b>DEPARTMENT TOTAL</b> .....	<b>\$ 4,820</b>	<b>\$ 5,082</b>	<b>\$ 5,810</b>
<b>Treasury Department</b>			
<b>General Government</b>			
Replacement Checks.....	\$ 98	\$ 300	\$ 300
Refunding Liquid Fuel Tax — Agricultural.....	3,200	4,500	4,500
Administration of Refunding Liquid Fuel Tax.....	289	452	459
Refunding Liquid Fuel Tax — State Share.....	500	650	650
Refunding Emergency Liquid Fuel Tax.....	0	1	1
Refunding Liquid Fuel Tax — Political Subdivisions.....	2,300	3,000	3,200
Refunding Liquid Fuel Tax — Volunteer Services.....	132	350	450
Refunding Liquid Fuel Tax — Boat Fund.....	2,300	2,795	3,000
Subtotal.....	\$ 8,819	\$ 12,048	\$ 12,560
<b>Debt Service Requirements</b>			
Capital Debt — Transportation Projects.....	\$ 110,513	\$ 98,126	\$ 79,841
General Obligation Debt Service.....	1,260	1,327	1,442
Loan and Transfer Agent.....	46	135	135
Subtotal.....	\$ 111,819	\$ 99,588	\$ 81,418
<b>TOTAL STATE FUNDS</b> .....	<b>\$ 120,638</b>	<b>\$ 111,636</b>	<b>\$ 93,978</b>
Restricted Revenue.....	\$ 29,711	\$ 28,579	\$ 26,368
<b>DEPARTMENT TOTAL</b> .....	<b>\$ 150,349</b>	<b>\$ 140,215</b>	<b>\$ 120,346</b>
<b>Department of Conservation and Natural Resources</b>			
Dirt and Gravel Roads.....	\$ 966	\$ 1,000	\$ 1,000
<b>TOTAL STATE FUNDS</b> .....	<b>\$ 966</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>
Restricted Revenue.....	\$ 5,553	\$ 5,039	\$ 4,800
<b>DEPARTMENT TOTAL</b> .....	<b>\$ 6,519</b>	<b>\$ 6,039</b>	<b>\$ 5,800</b>
<b>Department of Education</b>			
<b>Grants and Subsidies</b>			
Safe Driving Course.....	\$ 1,182	\$ 1,591	\$ 1,639
<b>DEPARTMENT TOTAL</b> .....	<b>\$ 1,182</b>	<b>\$ 1,591</b>	<b>\$ 1,639</b>



## Summary by Department (continued)

(Dollar Amounts in Thousands)

	<u>1998-99</u> <u>Actual</u>	<u>1999-00</u> <u>Estimate</u>	<u>2000-01</u> <u>Budget</u>
<b>Department of Environmental Protection</b>			
Dirt and Gravel Roads.....	\$ 4,000	\$ 4,000	\$ 4,000
DEPARTMENT TOTAL.....	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ 4,000</u>
<b>Department of General Services</b>			
Tort Claims Payments.....	\$ 20,000	\$ 20,000	\$ 20,000
Harristown Rental Charges.....	101	95	95
Harristown Utility and Municipal Charges.....	163	157	150
DEPARTMENT TOTAL.....	<u>\$ 20,264</u>	<u>\$ 20,252</u>	<u>\$ 20,245</u>
<b>Department of Revenue</b>			
<b>General Government</b>			
Collections — Liquid Fuels Tax.....	\$ 11,963	\$ 12,309	\$ 13,042
Refunding Liquid Fuels Tax.....	6,200	6,000	6,680
<b>TOTAL STATE FUNDS</b> .....	<u>\$ 18,163</u>	<u>\$ 18,309</u>	<u>\$ 19,722</u>
Augmentations.....	\$ 97	\$ 25	\$ 25
DEPARTMENT TOTAL.....	<u>\$ 18,260</u>	<u>\$ 18,334</u>	<u>\$ 19,747</u>
<b>State Police</b>			
<b>General Government</b>			
General Government Operations.....	\$ 265,242	\$ 275,268	\$ 294,477
Municipal Police Training.....	4,107	4,333	4,368
Patrol Vehicles.....	7,254	7,150	6,120
CLEAN System.....	7,946	14,340	21,543
DEPARTMENT TOTAL.....	<u>\$ 284,549</u>	<u>\$ 301,091</u>	<u>\$ 326,508</u>
<b>Department of Transportation</b>			
<b>General Government</b>			
General Government Operations.....	\$ 28,883	\$ 31,224	\$ 35,954
Highway Systems Technology.....	27,275	26,000	34,735
Refunding Collected Monies.....	4,437	4,500	4,500
Relocation of Transportation and Safety Operations.....	8,877	5,752	3,589
Highway and Safety Improvement.....	179,600	175,000	175,000
Highway Capital Projects.....	179,600	192,800	203,900
Security Walls Pilot Project.....	17,000	20,000	10,000
Metric Conversion.....	1,000	0	0
Highway Maintenance.....	609,932	621,406	639,000
Secondary Roads — Maintenance and Resurfacing.....	61,165	59,974	61,870
Preventive Maintenance.....	50,000	0	0
Highway Maintenance Safety Projects.....	0	45,000	15,000
Reinvestment — Facilities.....	7,155	6,140	6,140
Safety Administration and Licensing.....	93,528	99,945	107,517
Enhanced Titling and Registration.....	1,400	10,100	13,400
Subtotal.....	<u>\$ 1,269,852</u>	<u>\$ 1,297,841</u>	<u>\$ 1,310,605</u>



## Summary by Department (continued)

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Estimate	2000-01 Budget
<b>Grants and Subsidies</b>			
Local Road Maintenance and Construction Payments.....	\$ 181,173	\$ 174,992	\$ 179,302
Supplemental Local Road Maintenance and Construction Payments.....	5,000	5,000	5,000
Payment to Turnpike Commission.....	28,000	28,000	28,000
Subtotal.....	\$ 214,173	\$ 207,992	\$ 212,302
<b>TOTAL STATE FUNDS</b> .....	<b>\$ 1,484,025</b>	<b>\$ 1,505,833</b>	<b>\$ 1,522,907</b>
Federal Funds.....	\$ 775,925	\$ 929,077	\$ 940,119
Augmentations.....	36,089	39,170	39,415
Restricted Revenue.....	599,494	685,253	667,414
<b>DEPARTMENT TOTAL</b> .....	<b>\$ 2,895,533</b>	<b>\$ 3,159,333</b>	<b>\$ 3,169,855</b>
<b>Fund Summary</b>			
State Funds — Transportation.....	\$ 1,484,025	\$ 1,505,833	\$ 1,522,907
State Funds — Other Departments.....	453,855	462,151	472,090
<b>TOTAL STATE FUNDS</b> .....	<b>\$ 1,937,880</b>	<b>\$ 1,967,984</b>	<b>\$ 1,994,997</b>
<b>Motor License Fund Total—All Funds</b>			
State Funds.....	\$ 1,937,880	\$ 1,967,984	\$ 1,994,997
Federal Funds.....	775,925	929,077	940,119
Augmentations.....	36,913	40,005	40,252
Restricted Revenue.....	634,758	718,871	698,582
<b>FUND TOTAL</b> .....	<b>\$ 3,385,476</b>	<b>\$ 3,655,937</b>	<b>\$ 3,673,950</b>

## REVENUE SUMMARY

### Five Year Revenue Projections

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Estimated	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
Liquid Fuels Taxes.....	\$ 1,034,899	\$ 1,044,200	\$ 1,045,300	\$ 1,049,000	\$ 1,052,700	\$ 1,056,500	\$ 1,060,200
Motor Licenses and Fees.....	755,430	786,950	790,080	797,620	807,590	819,380	827,800
Other Motor License Fund Revenues.....	94,680	91,970	94,180	94,940	97,270	99,650	102,090
<b>TOTAL MOTOR LICENSE FUND REVENUES.....</b>	<b>\$ 1,885,009</b>	<b>\$ 1,923,120</b>	<b>\$ 1,929,560</b>	<b>\$ 1,941,560</b>	<b>\$ 1,957,560</b>	<b>\$ 1,975,530</b>	<b>\$ 1,990,090</b>
Aviation Restricted Revenues.....	\$ 11,085	\$ 11,211	\$ 11,450	\$ 11,690	\$ 11,940	\$ 12,190	\$ 12,450
Highway Bridge Improvement Restricted Revenues.....	\$ 76,777	\$ 81,518	\$ 81,724	\$ 82,382	\$ 83,040	\$ 83,697	\$ 84,355
State Highway Transfer Restricted Revenues.....	\$ 16,988	\$ 16,837	\$ 16,853	\$ 16,911	\$ 16,968	\$ 17,032	\$ 17,089
Oil Company Franchise Tax Restricted Revenues.....	\$ 311,443	\$ 308,675	\$ 308,965	\$ 310,026	\$ 311,088	\$ 312,246	\$ 313,307
Supplemental Maintenance Restricted Revenues.....	\$ 217,871	\$ 216,073	\$ 216,275	\$ 217,018	\$ 217,761	\$ 218,572	\$ 219,315

### Adjustments to 1999-00 Revenue Estimate

On May 5, 1999, an official estimate for the 1999-00 fiscal year of \$1,883,980,000 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)

	1999-00 Official Estimate	Adjustments	1999-00 Revised Estimate
Liquid Fuels Taxes.....	\$ 1,019,900	\$ 24,300	\$ 1,044,200
Motor Licenses and Fees.....	771,070	15,880	786,950
Other Motor License Fund Revenues.....	93,010	-1,040	91,970
<b>TOTAL.....</b>	<b>\$ 1,883,980</b>	<b>\$ 39,140</b>	<b>\$ 1,923,120</b>



## Revenue Sources

### Liquid Fuels Taxes

(Dollar Amounts in Thousands)

	Actual		Estimated
1993-94.....	\$ 954,002	1999-00.....	\$ 1,044,200
1994-95.....	982,556	2000-01.....	1,045,300
1995-96.....	982,117	2001-02.....	1,049,000
1996-97.....	1,011,427	2002-03.....	1,052,700
1997-98.....	1,022,355	2003-04.....	1,056,500
1998-99.....	1,034,899	2004-05.....	1,060,200

#### Tax Base and Rates:

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

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

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

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

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

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

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

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



## Revenue Sources (Continued)

### Motor Licenses and Fees

(Dollar Amounts in Thousands)

Actual	Estimated
1993-94..... \$ 476,426	1999-00..... \$ 786,950
1994-95..... 505,716	2000-01..... 790,080
1995-96..... 506,555	2001-02..... 797,620
1996-97..... 519,578	2002-03..... 807,590
1997-98..... 703,051	2003-04..... 819,380
1998-99..... 755,430	2004-05..... 827,800

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

### Other Motor License Fund Revenues

(Dollar Amounts in Thousands)

Actual	Estimated
1993-94..... \$ 72,305	1999-00..... \$ 91,970
1994-95..... 71,351	2000-01..... 94,180
1995-96..... 78,183	2001-02..... 94,940
1996-97..... 78,124	2002-03..... 97,270
1997-98..... 87,290	2003-04..... 99,650
1998-99..... 94,680	2004-05..... 102,090

Other Motor License Fund revenues include the following sources:

**Fines** — Aeronautics fines collected under the Liquid Fuels and Fuels Tax Act and certain vehicle code fines.

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

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

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



## 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)

	1998-99 Actual	1999-00 Estimate	2000-01 Budget
<b>LIQUID FUELS TAXES</b>			
<b>Liquid Fuels Tax</b>			
Liquid Fuels Tax.....	\$ 538,547	\$ 559,960	\$ 560,459
Liquid Fuels Tax Interest.....	199	207	207
Liquid Fuels Tax Penalties.....	1,282	1,333	1,334
Subtotal.....	\$ 540,028	\$ 561,500	\$ 562,000
<b>Fuel Use Tax</b>			
Fuel Use Tax.....	\$ 150,175	\$ 148,981	\$ 149,180
Fuel Use Tax Interest.....	231	229	230
Fuel Use Tax Penalties.....	91	90	90
Subtotal.....	\$ 150,497	\$ 149,300	\$ 149,500
<b>Alternative Fuel Tax</b>			
Alternative Fuel Tax.....	\$ 1,030	\$ 967	\$ 1,068
Alternative Fuel Tax Interest.....	0	29	25
Alternative Fuel Tax Penalties.....	0	4	7
Subtotal.....	\$ 1,030	\$ 1,000	\$ 1,100
<b>Motor Carriers Road Tax — International Fuel Tax Agreement</b>			
Motor Carriers Road/IFTA — Fuels Tax.....	\$ 16,683	\$ 11,846	\$ 11,846
<b>Motor Carriers Road/IFTA— Registration Fees, Special</b>			
Permit Fees and Fines.....	921	654	654
Subtotal.....	\$ 17,604	\$ 12,500	\$ 12,500
Oil Company Franchise Tax.....	\$ 325,740	\$ 319,900	\$ 320,200
<b>TOTAL LIQUID FUELS TAXES.....</b>	<b>\$ 1,034,899</b>	<b>\$ 1,044,200</b>	<b>\$ 1,045,300</b>
<b>MOTOR LICENSES AND FEES</b>			
Operators' Licenses.....	\$ 51,859	\$ 54,470	\$ 53,680
Other Fees Collected by Bureau of Motor Vehicles.....	21,086	23,500	24,200
Registration Fees Received From Other States/IRP.....	54,204	64,900	66,850
Special Hauling Permit Fees.....	13,340	16,170	16,660
Vehicle Registration and Titling.....	614,941	627,910	628,690
<b>TOTAL MOTOR LICENSES AND FEES.....</b>	<b>\$ 755,430</b>	<b>\$ 786,950</b>	<b>\$ 790,080</b>





## Revenue Detail (continued)

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Estimate	2000-01 Budget
<b>OTHER MOTOR LICENSE FUND REVENUES</b>			
Gross Receipts Tax.....	\$ 250	\$ 70	\$ 70
<b>Fines and Penalties</b>			
<b>Department of Revenue</b>			
Vehicle Code Fines.....	\$ 24,685	\$ 25,851	\$ 25,841
<b>Department of Transportation</b>			
Vehicle Code Fines.....	5,520	5,149	5,779
Subtotal.....	\$ 30,205	\$ 31,000	\$ 31,620
<b>Miscellaneous Revenues</b>			
<b>Treasury Department</b>			
Interest on Deposits - Cash Advancement Accounts.....	\$ 69	\$ 63	\$ 65
Interest on Securities.....	40,087	36,432	37,525
Interest on Securities - Liquid Fuels Tax Fund.....	493	448	461
Redeposit of Checks.....	63	57	59
Subtotal.....	\$ 40,712	\$ 37,000	\$ 38,110
<b>Department of General Services</b>			
Sale of Unserviceable Property.....	\$ 661	\$ 400	\$ 410
<b>Department of Transportation</b>			
Fees for Reclaiming Abandoned Vehicles.....	\$ 23	\$ 24	\$ 24
Highway Bridge Income.....	135	139	141
Highway Encroachment Permits.....	1,115	1,147	1,170
Interest Earned - Restricted Revenue.....	-993 <sup>a</sup>	-1,021 <sup>a</sup>	-1,042 <sup>a</sup>
Miscellaneous Revenues.....	363	315	381
Recovered Damages.....	12	12	13
<b>Refunds of Expenditures Not Credited to</b>			
Appropriations or Allocations.....	496	510	520
Sale of Bid Proposals and Contract Specifications.....	746	767	782
Sale of Inspection Stickers.....	20,474	21,054	21,476
Sale of Maps and Plans.....	481	553	505
Subtotal.....	\$ 22,852	\$ 23,500	\$ 23,970
<b>TOTAL OTHER MOTOR LICENSE FUND REVENUES.....</b>	<b>\$ 94,680</b>	<b>\$ 91,970</b>	<b>\$ 94,180</b>
<b>TOTAL MOTOR LICENSE FUND REVENUES.....</b>	<b>\$ 1,885,009</b>	<b>\$ 1,923,120</b>	<b>\$ 1,929,560</b>

<sup>a</sup> Amounts transferred to restricted revenue account.



## Restricted Revenues Not Included in Department Total

### Aviation Revenues

(Dollar Amounts in Thousands)

	Actual		Estimated		
1993-94.....	\$ 19,696		1999-00.....	\$ 11,211	
1994-95.....	18,678		2000-01.....	11,450	
1995-96.....	17,653		2001-02.....	11,690	
1996-97.....	18,603		2002-03.....	11,940	
1997-98.....	19,314		2003-04.....	12,190	
1998-99.....	11,085		2004-05.....	12,450	

Aviation revenue includes taxes levied on aviation gasoline and jet fuel, and income earned at State-owned airports. Effective January 2, 1998 in accordance with Act 60 of 1997, ownership of these airports was transferred to a local authority. Therefore, starting with fiscal year 1997-98, aviation revenues exclude State-owned airport revenue. Aviation gasoline and jet fuel tax rates are adjusted annually based on the change in the jet fuel price index. In accordance with Act 164 of 1984, the aviation gasoline rate is not to exceed 6.0 cents per gallon nor be less than 3.0 cents per gallon. The jet fuel tax is not to exceed 2.0 cents per gallon nor be less than 1.5 cents per gallon. The tax rate as of January 1, 2000 is 3.7 cents per gallon on aviation gasoline and 1.9 cents per gallon on jet fuel. Aviation restricted revenues are not included in Motor License Fund revenue totals.

	1998-99 Actual	1999-00 Estimate	2000-01 Budget
<b>AVIATION REVENUES</b>			
Aviation Liquid Fuels Tax.....	\$ 10,091	\$ 10,210	\$ 10,420
State Airport Operations.....	3	1	0
Interest.....	991	1,000	1,030
<b>TOTAL AVIATION REVENUES.....</b>	<b>\$ 11,085</b>	<b>\$ 11,211</b>	<b>\$ 11,450</b>

### Highway Bridge Improvement Revenues

(Dollar Amounts in Thousands)

	Actual		Estimated		
1993-94.....	\$ 69,781		1999-00.....	\$ 81,518	
1994-95.....	75,410		2000-01.....	81,724	
1995-96.....	62,573		2001-02.....	82,382	
1996-97.....	77,349		2002-03.....	83,040	
1997-98.....	101,393		2003-04.....	83,697	
1998-99.....	76,777		2004-05.....	84,355	

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



## Restricted Revenues Not Included in Department Total (continued)

	1998-99 Actual	1999-00 Estimate	2000-01 Budget
<b>HIGHWAY BRIDGE IMPROVEMENT REVENUES</b>			
Motor Carrier Surcharge.....	\$ 625	\$ 50	\$ 0
Registration Fee Portion-PA-Based Motor Vehicles.....	11,811	16,450	16,610
Temporary Permit Fees.....	191	190	200
Oil Company Fuel Tax.....	64,150	64,828	64,914
<b>TOTAL HIGHWAY BRIDGE REVENUES.....</b>	<b>\$ 76,777</b>	<b>\$ 81,518</b>	<b>\$ 81,724</b>

### State Highway Transfer Revenues

(Dollar Amounts in Thousands)

Actual	Estimated
1993-94..... \$ 15,438	1999-00..... \$ 16,837
1994-95..... 15,716	2000-01..... 16,853
1995-96..... 15,833	2001-02..... 16,911
1996-97..... 16,919	2002-03..... 16,968
1997-98..... 15,194	2003-04..... 17,032
1998-99..... 16,988	2004-05..... 17,089

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

### Oil Company Franchise Tax Revenues

(Dollar Amounts in Thousands)

Actual	Estimated
1993-94..... \$ 280,361	1999-00..... \$ 308,675
1994-95..... 287,874	2000-01..... 308,965
1995-96..... 289,676	2001-02..... 310,026
1996-97..... 309,530	2002-03..... 311,088
1997-98..... 278,481	2003-04..... 312,246
1998-99..... 311,443	2004-05..... 313,307

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 Act 26 of 1991. Revenues are restricted to the following purposes: 42 percent for maintenance, 17 percent for capital projects, 13 percent for bridges, 12 percent for municipalities, 14 percent for toll roads and 2 percent for county or forestry bridges.

### Supplemental Maintenance Revenues

(Dollar Amounts in Thousands)

Actual	Estimated
1993-94..... \$ 0	1999-00..... \$ 216,073
1994-95..... 0	2000-01..... 216,275
1995-96..... 0	2001-02..... 217,018
1996-97..... 0	2002-03..... 217,761
1997-98..... 215,210	2003-04..... 218,572
1998-99..... 217,871	2004-05..... 219,315

Supplemental Maintenance Restricted Account revenues are provided by a 38.5 mill tax on the average wholesale price of motor fuels as a result of Act 3 of 1997. Revenues are restricted to the following purposes: 12 percent for municipalities and 88 percent for maintenance.





---

# BANKING DEPARTMENT FUND

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



## Financial Statement

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
<b>Beginning Balance</b> .....	\$ 8,573	\$ 11,466	\$ 13,537
<b>Receipts:</b>			
Revenue Estimate.....	\$ 12,377	\$ 12,330	\$ 12,735
Prior Year Lapses.....	64	0	0
Total Receipts.....	\$ 12,441	\$ 12,330	\$ 12,735
<b>Funds Available</b> .....	\$ 21,014	\$ 23,796	\$ 26,272
<b>Expenditures:</b>			
Appropriated.....	\$ 9,548	\$ 10,259	\$ 10,038
Estimated Expenditures.....	-9,548	-10,259	-10,038
<b>Ending Balance</b> .....	\$ 11,466	\$ 13,537	\$ 16,234

## Summary by Department

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Estimate	2000-01 Budget
<b>Treasury Department</b>			
General Government			
Replacement Checks.....	\$ 0	\$ 5	\$ 5
<b>Banking Department</b>			
General Government			
General Government Operations.....	\$ 9,225	\$ 9,929	\$ 9,691
DEPARTMENT TOTAL.....	\$ 9,225	\$ 9,929	\$ 9,691
<b>Department of General Services</b>			
General Government			
Harristown Rental Charges.....	\$ 139	\$ 140	\$ 140
Harristown Utility and Municipal Charges.....	184	185	202
DEPARTMENT TOTAL.....	\$ 323	\$ 325	\$ 342
<b>FUND TOTAL</b> .....	\$ 9,548	\$ 10,259	\$ 10,038



## REVENUE SUMMARY

(Dollar Amounts in Thousands)

### Five Year Revenue Projections

	1998-99 Actual	1999-00 Estimated	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
Licenses and Fees.....	\$ 11,653	\$ 11,549	\$ 11,917	\$ 12,107	\$ 12,417	\$ 12,679	\$ 12,982
Fines and Penalties.....	86	50	50	55	60	60	60
Miscellaneous.....	638	731	768	806	846	889	933
<b>TOTAL BANKING DEPARTMENT FUND REVENUES.....</b>	<b>\$ 12,377</b>	<b>\$ 12,330</b>	<b>\$ 12,735</b>	<b>\$ 12,968</b>	<b>\$ 13,323</b>	<b>\$ 13,628</b>	<b>\$ 13,975</b>

### Revenue Sources

#### Licenses and Fees

Actual	Estimated
1993-94..... \$ 12,382	1999-00..... \$ 11,549
1994-95..... 10,546	2000-01..... 11,917
1995-96..... 10,721	2001-02..... 12,107
1996-97..... 10,063	2002-03..... 12,417
1997-98..... 11,161	2003-04..... 12,679
1998-99..... 11,653	2004-05..... 12,982

The Commonwealth receives revenue from examination fees based on the actual cost of examining banks and trust companies, savings and private banks, savings associations, pawnbrokers, consumer discount companies and credit unions. Overhead assessment fees, based upon total assets, also are charged against banks and trust companies, savings and private banks, credit unions, and savings 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
1993-94..... \$ 101	1999-00..... \$ 50
1994-95..... 63	2000-01..... 50
1995-96..... 146	2001-02..... 55
1996-97..... 50	2002-03..... 60
1997-98..... 63	2003-04..... 60
1998-99..... 86	2004-05..... 60

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.



# Banking Department Fund

## Revenue Sources (continued)

### Miscellaneous Revenue

Actual		Estimated	
1993-94.....	\$ 79	1999-00.....	\$ 731
1994-95.....	221	2000-01.....	768
1995-96.....	297	2001-02.....	806
1996-97.....	404	2002-03.....	846
1997-98.....	538	2003-04.....	889
1998-99.....	638	2004-05.....	933

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

## Revenue Detail

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

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Estimate	2000-01 Budget
<b>Licenses and Fees</b>			
Banking — Examinations .....	\$ 4	\$ 0	\$ 0
Banking — Application Fees .....	126	85	85
Banking — Interstate Application Fees .....	12	0	0
Banking — Intrastate Application Fees .....	10	10	13
Savings Associations — Examinations .....	410	254	333
Savings Associations — Overhead Assessments .....	91	85	76
Savings Associations — Application Fees .....	6	7	2
Savings Associations — Mergers and Consolidations .....	0	0	0
Savings Associations — Interstate Application Fees .....			
Check Cashers — Examinations .....	0	27	27
Check Cashers — Licenses .....	244	275	283
Consumer Credit — Examinations .....	270	230	240
Consumer Credit — Pawnbroker Licenses .....	20	23	23
Consumer Credit — Installment Seller Licenses .....	943	1,008	1,008
Consumer Credit — Consumer Discount			
Company Licenses .....	227	233	233
Consumer Credit — Money Transmitter Licenses .....	54	40	42
Consumer Credit — Sales Finance Licenses .....	406	412	424
Consumer Credit — Collector-Repossessor Licenses .....	41	32	33
Credit Unions — Application Fees .....	0	0	0
Credit Unions — Overhead Assessments .....	370	396	389
Secondary Mortgage Broker Licenses .....	1,000	982	1,011
Examinations — Credit Union .....	462	400	500
Examinations — Mortgage Banker Brokers .....	0	3	4
Examinations — Pawnbrokers .....	22	23	24
Examinations — Second Mortgage .....	118	90	80
Examinations — Trust Companies .....	185	143	160
Examinations — Money Transmitters .....	73	70	74
Examinations — Secondary Mortgage Broker .....	51	50	55
Overhead Assessments — Trust Companies .....	76	81	83
Total Assessment Charges — Banks .....	5,337	5,496	5,604
First Mortgage Company — Licenses .....	1,078	1,078	1,110
Second Mortgage Broker Agent — Licenses .....	1	1	1
Mutual Holding Companies — Reorganization			
Application Fees .....	0	10	0
Miscellaneous .....	16	5	0
<b>TOTAL</b> .....	<b>\$ 11,653</b>	<b>\$ 11,549</b>	<b>\$ 11,917</b>



# Banking Department Fund

## Revenue Detail (continued)

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Estimate	2000-01 Budget
<b>Fines and Penalties</b>			
Banking Law--Fines and Penalties.....	\$ 86	\$ 50	\$ 50
TOTAL.....	\$ 86	\$ 50	\$ 50
<b>Miscellaneous Revenue</b>			
Interest on Securities.....	\$ 636	\$ 731	\$ 768
Miscellaneous.....	2	0	0
TOTAL.....	\$ 638	\$ 731	\$ 768
TOTAL REVENUES.....	\$ 12,377	\$ 12,330	\$ 12,735







---

# 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.



## Financial Statement

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
<b>Beginning Balance</b> .....	\$ 7,531	\$ 7,993	\$ 7,305
<b>Receipts:</b>			
Revenue Estimate.....	\$ 10,323	\$ 10,028	\$ 9,795
Prior Year Lapses <sup>a</sup> .....	1,054	0	0
Total Receipts.....	\$ 11,377	\$ 10,028	\$ 9,795
<b>Funds Available</b> .....	\$ 18,908	\$ 18,021	\$ 17,100
<b>Expenditures:</b>			
Appropriated.....	\$ 10,915	\$ 10,716	\$ 10,568
Estimated Expenditures.....	-10,915	-10,716	-10,568
<b>Ending Balance</b> .....	\$ 7,993	\$ 7,305	\$ 6,532

<sup>a</sup> Reflected in Report of Revenues and Receipts as a transfer from Fish Fund.

## Summary by Department

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Estimate	2000-01 Budget
<b>Treasury Department</b>			
General Government			
Replacement Checks.....	\$ 0	\$ 5	\$ 5
<b>Fish and Boat Commission</b>			
General Government			
General Operations.....	\$ 8,821	\$ 8,230	\$ 8,590
<b>TOTAL STATE FUNDS</b> .....	\$ 8,821	\$ 8,235	\$ 8,595
Federal Funds.....	\$ 2,077	\$ 2,461	\$ 1,953
Other Funds.....	17	20	20
<b>FUND TOTAL</b> .....	\$ 10,915	\$ 10,716	\$ 10,568



## REVENUE SUMMARY

(Dollar Amounts in Thousands)

### Five Year Revenue Projections

	1998-99 Actual	1999-00 Estimated	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
Licenses and Fees.....	\$ 5,123	\$ 4,813	\$ 4,862	\$ 4,907	\$ 4,954	\$ 5,000	\$ 5,015
Fines and Penalties.....	164	162	165	170	170	175	175
Miscellaneous.....	2,942	2,572	2,795	2,786	2,782	2,773	2,764
<b>TOTAL BOAT FUND REVENUES.....</b>	<b>\$ 8,229</b>	<b>\$ 7,547</b>	<b>\$ 7,822</b>	<b>\$ 7,863</b>	<b>\$ 7,906</b>	<b>\$ 7,948</b>	<b>\$ 7,954</b>
Augmentations.....	\$ 2,094	\$ 2,481	\$ 1,973	\$ 1,965	\$ 1,985	\$ 2,005	\$ 2,025
<b>TOTAL BOAT FUND RECEIPTS.....</b>	<b>\$ 10,323</b>	<b>\$ 10,028</b>	<b>\$ 9,795</b>	<b>\$ 9,828</b>	<b>\$ 9,891</b>	<b>\$ 9,953</b>	<b>\$ 9,979</b>

### Revenue Sources

#### Licenses and Fees

Actual	Estimated
1993-94..... \$ 4,331	1999-00..... \$ 4,813
1994-95..... 4,128	2000-01..... 4,862
1995-96..... 4,583	2001-02..... 4,907
1996-97..... 4,231	2002-03..... 4,954
1997-98..... 4,104	2003-04..... 5,000
1998-99..... 5,123	2004-05..... 5,015

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
1993-94..... \$ 108	1999-00..... \$ 162
1994-95..... 141	2000-01..... 165
1995-96..... 133	2001-02..... 170
1996-97..... 161	2002-03..... 170
1997-98..... 171	2003-04..... 175
1998-99..... 164	2004-05..... 175

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



## Revenue Sources (continued)

## Miscellaneous Revenue

Actual		Estimated	
1993-94.....	\$ 2,352	1999-00.....	\$ 2,572
1994-95.....	2,679	2000-01.....	2,795
1995-96.....	672	2001-02.....	2,786
1996-97.....	4,565	2002-03.....	2,782
1997-98.....	2,084	2003-04.....	2,773
1998-99.....	2,942	2004-05.....	2,764

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

## Revenue Detail

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

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Estimate	2000-01 Budget
<b>Licenses and Fees</b>			
Motor Boat Registration Fees.....	\$ 4,727	\$ 4,517	\$ 4,562
Boat Mooring Permits — Walnut Creek Access.....	44	32	38
Boating Safety Curriculum Fees.....	4	4	4
Boat Capacity Plate Fees.....	8	10	8
Boat Titling Fees.....	340	250	250
TOTAL.....	\$ 5,123	\$ 4,813	\$ 4,862
<b>Fines and Penalties</b>			
Motor Boat Fines.....	\$ 164	\$ 162	\$ 165
TOTAL.....	\$ 164	\$ 162	\$ 165
<b>Miscellaneous Revenues</b>			
Transfer from Motor License and Liquid Fuels			
Tax Funds.....	\$ 2,395	\$ 1,900	\$ 2,300
Miscellaneous.....	30	18	25
Interest on Securities.....	371	460	410
Sale of Unserviceable Property.....	47	2	2
Sales Tax Agent Fee PFC Share.....	56	52	53
North East Marina.....	43	140	5
TOTAL.....	\$ 2,942	\$ 2,572	\$ 2,795
<b>Augmentations</b>			
Sale of Automobiles.....	\$ 17	\$ 20	\$ 20
U.S. Coast Guard Grant for Boating Safety.....	1,476	1,510	1,400
Sport Fish Restoration.....	561	901	503
Clean Vessel Act.....	40	50	50
TOTAL.....	\$ 2,094	\$ 2,481	\$ 1,973
TOTAL RECEIPTS.....	\$ 10,323	\$ 10,028	\$ 9,795





---

# ENVIRONMENTAL STEWARDSHIP FUND

The Environmental Stewardship Fund is a special revenue fund composed of monies transferred from the General Fund as appropriated by the General Assembly, Recycling Fund, Hazardous Sites Cleanup Fund and certain landfill fees. The fund provides for farmland preservation projects, open space protection, abandoned mine reclamation, watershed protection and restoration, water and sewer infrastructure, and improvements and conservation of Commonwealth and community parks and recreational facilities.



# Environmental Stewardship Fund

## Financial Statement

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
<b>Beginning Balance</b> .....	\$ 0	\$ 0	\$ 0
<b>Receipts:</b>			
Revenue Estimate.....	\$ 0	\$ 2,594	\$ 5,149
Transfer from General Fund.....	0	53,375	100,000
Transfer from Hazardous Sites Cleanup Fund.....	0	5,000	5,000
Transfer from Recycling Fund.....	0	25,000	25,000
Prior Year Lapses.....	0	0	0
Total Receipts.....	\$ 0	\$ 85,969	\$ 135,149
<b>Funds Available</b> .....	\$ 0	\$ 85,969	\$ 135,149
<b>Expenditures:</b>			
Appropriated.....	\$ 0	\$ 85,969	\$ 135,149
Estimated Expenditures.....	0	-85,969	-135,149
<b>Ending Balance</b> .....	\$ 0	\$ 0	\$ 0

## Summary by Department

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Estimate	2000-01 Budget
<b>Treasury Department</b>			
<b>General Government</b>			
Replacement Checks.....	\$ 0	\$ 0	\$ 0
<b>Department of Agriculture</b>			
<b>General Government</b>			
Transfer to Agricultural Conservation Easement			
Purchase Fund.....	\$ 0	\$ 0	\$ 20,002
<b>Department of Conservation and Natural Resources</b>			
<b>General Government</b>			
Parks & Forest Facility Rehabilitation.....	\$ 0	\$ 20,015	\$ 24,071
<b>Grants and Subsidies</b>			
Community Conservation Grants.....	\$ 0	\$ 4,200	\$ 8,200
Natural Diversity Conservation Grants.....	0	200	300
Subtotal.....	\$ 0	\$ 4,400	\$ 8,500
<b>DEPARTMENT TOTAL</b> .....	\$ 0	\$ 24,415	\$ 32,571
<b>Department of Environmental Protection</b>			
<b>General Government</b>			
Oil and Gas Well Plugging.....	\$ 0	\$ 1,983	\$ 3,000
Abandoned Mine Reclamation and Remediation.....	0	10,100	10,000
Subtotal.....	\$ 0	\$ 12,083	\$ 13,000
<b>Grants and Subsidies</b>			
Watershed Protection and Restoration.....	\$ 0	\$ 21,790	\$ 32,046
Sewage and Drinking Water Grants.....	0	3,696	5,500
Subtotal.....	\$ 0	\$ 25,486	\$ 37,546
<b>DEPARTMENT TOTAL</b> .....	\$ 0	\$ 37,569	\$ 50,546



# Environmental Stewardship Fund

## Summary by Department (continued)

### Infrastructure Investment Authority

#### Grants and Subsidies

Stormwater, Water and Sewer Grants.....	\$ 0	\$ 23,985	\$ 32,030
<b>TOTAL STATE FUNDS</b> .....	<u>\$ 0</u>	<u>\$ 85,969</u>	<u>\$ 135,149</u>
Federal Funds.....	\$ 0	\$ 0	\$ 0
Other Funds.....	0	0	0
<b>FUND TOTAL</b> .....	<u>\$ 0</u>	<u>\$ 85,969</u>	<u>\$ 135,149</u>

# Environmental Stewardship Fund

## REVENUE SUMMARY

(Dollar Amounts in Thousands)

### Five Year Revenue Projections

	1998-99 Actual	1999-00 Estimated	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
Licenses and Fees.....	\$ 0	\$ 2,500	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 0
Miscellaneous.....	0	94	149	149	149	149	0
<b>TOTAL ENVIRONMENTAL STEWARDSHIP FUND REVENUES.....</b>	<b>\$ 0</b>	<b>\$ 2,594</b>	<b>\$ 5,149</b>	<b>\$ 5,149</b>	<b>\$ 5,149</b>	<b>\$ 5,149</b>	<b>\$ 0</b>
Transfers from Other							
State funds.....	\$ 0	\$ 83,375	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 0
<b>TOTAL ENVIRONMENTAL STEWARDSHIP FUND RECEIPTS.....</b>	<b>\$ 0</b>	<b>\$ 85,969</b>	<b>\$ 135,149</b>	<b>\$ 135,149</b>	<b>\$ 135,149</b>	<b>\$ 135,149</b>	<b>\$ 0</b>

### Revenue Sources

#### Licenses and Fees

Actual	Estimated
1993-94..... \$ 0	1999-00..... \$ 2,500
1994-95..... 0	2000-01..... 5,000
1995-96..... 0	2001-02..... 5,000
1996-97..... 0	2002-03..... 5,000
1997-98..... 0	2003-04..... 5,000
1998-99..... 0	2004-05..... 0

The Environmental Stewardship Fund receives revenue from a 25 cent per ton, or 25 cent per three cubic yards, fee for all solid waste received at a landfill in the Commonwealth. Act 68 of 1999 continues this fee until 2004.

#### Miscellaneous Revenues

Actual	Estimated
1993-94..... \$ 0	1999-00..... \$ 94
1994-95..... 0	2000-01..... 149
1995-96..... 0	2001-02..... 149
1996-97..... 0	2002-03..... 149
1997-98..... 0	2003-04..... 149
1998-99..... 0	2004-05..... 0

Miscellaneous revenues are earned interest.





# Environmental Stewardship Fund

## Revenue Sources (continued)

### Transfers from Other State Funds

Actual		Estimated	
1993-94.....	\$ 0	1999-00.....	\$ 83,375
1994-95.....	0	2000-01.....	130,000
1995-96.....	0	2001-02.....	130,000
1996-97.....	0	2002-03.....	130,000
1997-98.....	0	2003-04.....	130,000
1998-99.....	0	2004-05.....	0

The intent of Act 28 of 1966 is that an annual appropriation will be made from the General Fund for five years, and that funds from the Hazardous Sites Cleanup Fund and Recycling Fund are transferred annually for five years. The amounts indicated above reflect this intent.

## Revenue Detail

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

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00. Estimate	2000-01 Budget
<b>Licenses and Fees</b>			
Landfill Fees.....	\$ 0	\$ 2,500	\$ 5,000
TOTAL.....	\$ 0	\$ 2,500	\$ 5,000
<b>Miscellaneous Revenues</b>			
Miscellaneous.....	\$ 0	\$ 94	\$ 149
TOTAL RECEIPTS.....	\$ 0	\$ 2,594	\$ 5,149
<b>Transfers from Other State Funds</b>			
Transfer from General Fund.....	\$ 0	\$ 53,375	\$ 100,000
Transfer from Hazardous Sites Cleanup Fund.....	0	5,000	5,000
Transfer from Recycling Fund.....	0	25,000	25,000
TOTAL.....	\$ 0	\$ 83,375	\$ 130,000
TOTAL RECEIPTS.....	\$ 0	\$ 85,969	\$ 135,149





---

# 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.



## Financial Statement

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
<b>Beginning Balance</b> .....	\$ 764	\$ 2,579	\$ 1,967
<b>Receipts:</b>			
Revenue Estimate.....	\$ 6,068	\$ 3,860	\$ 3,900
Transfer from General Fund.....	800	800	800
Prior Year Lapses.....	14	0	0
Total Receipts.....	\$ 6,882	\$ 4,660	\$ 4,700
<b>Funds Available</b> .....	\$ 7,646	\$ 7,239	\$ 6,667
<b>Expenditures:</b>			
Appropriated.....	\$ 5,067	\$ 5,272	\$ 5,885
Estimated Expenditures.....	-5,067	-5,272	-5,885
<b>Ending Balance</b> .....	\$ 2,579	\$ 1,967	\$ 782

## Summary by Department

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Estimate	2000-01 Budget
<b>Treasury Department</b>			
General Government			
Replacement Checks.....	\$ 0	\$ 5	\$ 5
<b>Department of Agriculture</b>			
General Government			
General Operations.....	\$ 4,267	\$ 4,467	\$ 5,080
Augmentations.....	\$ 800	\$ 800	\$ 800
DEPARTMENT TOTAL.....	\$ 5,067	\$ 5,267	\$ 5,880
FUND TOTAL.....	\$ 5,067	\$ 5,272	\$ 5,885



## REVENUE SUMMARY

(Dollar Amounts in Thousands)

### Five Year Revenue Projections

	1998-99 Actual	1999-00 Estimated	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
Licenses and Fees.....	\$ 252	\$ 260	\$ 260	\$ 260	\$ 260	\$ 260	\$ 260
Miscellaneous.....	5,816	3,600	3,640	3,718	3,798	3,879	3,961
<b>TOTAL FARM PRODUCTS SHOW FUND REVENUES.....</b>	<b>\$ 6,068</b>	<b>\$ 3,860</b>	<b>\$ 3,900</b>	<b>\$ 3,978</b>	<b>\$ 4,058</b>	<b>\$ 4,139</b>	<b>\$ 4,221</b>
Augmentations.....	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800
<b>TOTAL FARM PRODUCTS SHOW FUND RECEIPTS.....</b>	<b>\$ 6,868</b>	<b>\$ 4,660</b>	<b>\$ 4,700</b>	<b>\$ 4,778</b>	<b>\$ 4,858</b>	<b>\$ 4,939</b>	<b>\$ 5,021</b>

### Revenue Sources

#### Licenses and Fees

Actual	Estimated
1993-94..... \$ 274	1999-00..... \$ 260
1994-95..... 278	2000-01..... 260
1995-96..... 282	2001-02..... 260
1996-97..... 282	2002-03..... 260
1997-98..... 275	2003-04..... 260
1998-99..... 252	2004-05..... 260

The Commonwealth receives all competitive exhibitor and commercial exhibitor fees and those fees from departments, boards and commissions of the State Government having exhibits at the show.

#### Miscellaneous Revenues

Actual	Estimated
1993-94..... \$ 2,870	1999-00..... \$ 3,600
1994-95..... 3,218	2000-01..... 3,640
1995-96..... 3,367	2001-02..... 3,718
1996-97..... 3,418	2002-03..... 3,798
1997-98..... 3,487	2003-04..... 3,879
1998-99..... 5,816	2004-05..... 3,961

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



# Farm Products Show Fund

## Revenue Detail

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

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Estimate	2000-01 Budget
<b>Licenses and Fees</b>			
Exhibit Fees — Competitive—Farm Show.....	\$ 24	\$ 20	\$ 20
Exhibit — Commercial.....	228	240	240
<b>TOTAL.....</b>	<b>\$ 252</b>	<b>\$ 260</b>	<b>\$ 260</b>
<b>Miscellaneous Revenue</b>			
Concession Revenue.....	\$ 967	\$ 990	\$ 1,023
Service Charges.....	415	413	413
Rentals.....	1,507	1,511	1,518
Miscellaneous Revenue.....	83	30	30
Sale of Woodville State Farm.....	2,197	0	0
Interest on Securities, Deposits, Returned Checks.....	143	125	125
Parking Fees.....	449	475	475
Salary Reimbursement — Dairy and Livestock Association.....	47	49	49
Sign Shop Sales.....	8	7	7
<b>TOTAL.....</b>	<b>\$ 5,816</b>	<b>\$ 3,600</b>	<b>\$ 3,640</b>
<b>Augmentations</b>			
Transfer from General Fund.....	\$ 800	\$ 800	\$ 800
<b>TOTAL RECEIPTS.....</b>	<b>\$ 6,868</b>	<b>\$ 4,660</b>	<b>\$ 4,700</b>





---

# FISH FUND

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



## Financial Statement

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Beginning Balance.....	\$ 13,651	\$ 13,632	\$ 12,718
<b>Receipts:</b>			
Miscellaneous.....	\$ 40,344	\$ 40,750	\$ 40,151
Prior Year Lapses.....	1,423	0	0
Total Receipts.....	<u>\$ 41,767</u>	<u>\$ 40,750</u>	<u>\$ 40,151</u>
Funds Available.....	<u>\$ 55,418</u>	<u>\$ 54,382</u>	<u>\$ 52,869</u>
<b>Expenditures:</b>			
Appropriated.....	\$ 41,786	\$ 41,664	\$ 44,004
Estimated Expenditures.....	<u>-41,786</u>	<u>-41,664</u>	<u>-44,004</u>
Ending Balance.....	<u>\$ 13,632</u>	<u>\$ 12,718</u>	<u>\$ 8,865</u>

## Summary by Department

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Estimate	2000-01 Budget
<b>Treasury Department</b>			
General Government			
Replacement Checks.....	\$ 0	\$ 5	\$ 5
<b>Fish and Boat Commission</b>			
General Government			
General Operations.....	\$ 25,096	\$ 24,522	\$ 27,342
<b>TOTAL STATE FUNDS.....</b>	<u>\$ 25,096</u>	<u>\$ 24,527</u>	<u>\$ 27,347</u>
Federal Funds.....	\$ 5,413	\$ 5,856	\$ 5,767
Other Funds.....	11,277	11,281	10,890
FUND TOTAL.....	<u>\$ 41,786</u>	<u>\$ 41,664</u>	<u>\$ 44,004</u>



## REVENUE SUMMARY

(Dollar Amounts in Thousands)

### Five Year Revenue Projections

	1998-99 Actual	1999-00 Estimated	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
Licenses and Fees.....	\$ 19,994	\$ 20,698	\$ 20,296	\$ 20,499	\$ 20,706	\$ 20,913	\$ 21,123
Fines and Penalties.....	292	320	300	310	310	320	320
Miscellaneous.....	3,368	2,595	2,898	2,837	2,923	2,943	2,925
<b>TOTAL FISH FUND REVENUES.....</b>	<b>\$ 23,654</b>	<b>\$ 23,613</b>	<b>\$ 23,494</b>	<b>\$ 23,646</b>	<b>\$ 23,939</b>	<b>\$ 24,176</b>	<b>\$ 24,368</b>
Augmentations.....	\$ 16,690	\$ 17,137	\$ 16,657	\$ 16,506	\$ 16,750	\$ 16,997	\$ 17,153
<b>TOTAL FISH FUND RECEIPTS.....</b>	<b>\$ 40,344</b>	<b>\$ 40,750</b>	<b>\$ 40,151</b>	<b>\$ 40,152</b>	<b>\$ 40,689</b>	<b>\$ 41,173</b>	<b>\$ 41,521</b>

### Revenue Sources

#### Licenses and Fees

Actual	Estimated
1993-94..... \$ 17,170	1999-00..... \$ 20,698
1994-95..... 17,500	2000-01..... 20,296
1995-96..... 19,100	2001-02..... 20,499
1996-97..... 19,908	2002-03..... 20,706
1997-98..... 20,428	2003-04..... 20,913
1998-99..... 19,994	2004-05..... 21,123

The Commonwealth issues resident fishing licenses to persons between the ages of 16 and 64 if the applicant can prove residency within the Commonwealth for 60 days. Through the passage of Act 47 of 1995, the resident fees were increased to \$16.25. The Commonwealth also issues senior resident fishing licenses to persons 65 years of age and older for a fee of \$3.25. An individual eligible for a senior resident license can purchase a lifetime license for a fee of \$15.25. Act 47 of 1995 also increased nonresident fees to \$34.25 and the tourist fishing license to \$29.25. Tourist licenses are valid for a period of seven consecutive days. Persons fishing for trout or salmon are required to buy a \$5.00 stamp in addition to their regular fishing licenses. Other sources of revenue include special eel licenses, Lake Erie commercial fishing licenses and commercial hatchery licenses.

#### Fines and Penalties

Actual	Estimated
1993-94..... \$ 317	1999-00..... \$ 320
1994-95..... 282	2000-01..... 300
1995-96..... 314	2001-02..... 310
1996-97..... 323	2002-03..... 310
1997-98..... 332	2003-04..... 320
1998-99..... 292	2004-05..... 320

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





## Revenue Sources (continued)

## Miscellaneous Revenue

Actual		Estimated	
1993-94.....	\$ 1,950	1999-00.....	\$ 2,595
1994-95.....	1,884	2000-01.....	2,898
1995-96.....	1,940	2001-02.....	2,837
1996-97.....	1,993	2002-03.....	2,923
1997-98.....	2,208	2003-04.....	2,943
1998-99.....	3,368	2004-05.....	2,925

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

## Revenue Detail

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

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Estimated	2000-01 Budget
<b>Licenses and Fees</b>			
Resident Fishing Licenses.....	\$ 14,100	\$ 14,559	\$ 14,312
Resident Senior Fishing Licenses.....	55	57	55
Nonresident Fishing Licenses.....	1,601	1,644	1,625
Tourist Fishing Licenses - 3 Day.....	475	462	482
Tourist Fishing Licenses - 7 Day.....	82	82	83
Lake Erie Licenses.....	1	2	1
Commercial Hatchery Licenses.....	0	1	1
Fishing Lake Licenses.....	24	25	25
Miscellaneous Permits and Fees.....	22	20	22
Scientific Collector's Permits.....	6	6	7
Lifetime Fishing Licenses - Senior Resident.....	171	187	174
Membership Fees - Pennsylvania League of Angling Youth.....	6	12	6
H.R. Stackhouse Facilities User Fees.....	3	4	4
Trout/Salmon Stamp.....	3,448	3,637	3,499
TOTAL.....	\$ 19,994	\$ 20,698	\$ 20,296
<b>Fines and Penalties</b>			
Fish Law Fines.....	\$ 292	\$ 320	\$ 300
TOTAL.....	\$ 292	\$ 320	\$ 300



## Revenue Detail (continued)

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Estimated	2000-01 Budget
<b>Miscellaneous Revenue</b>			
Sale of Publications.....	\$ 40	\$ 35	\$ 40
Sale of Unserviceable Property.....	4	5	5
Miscellaneous Revenue.....	89	98	95
Interest on Securities and Deposits.....	995	900	920
Rental of Fish and Boat Commission Property.....	25	27	27
Income from Sand and Gravel Dredging.....	744	760	976
In Lieu of Payments for Fishways.....	25	25	0
Sale of <i>Pennsylvania Angler &amp; Boater</i> .....	238	235	240
Pollution and Stream Disturbance Settlements.....	373	350	350
Sale of Recreational Fishing Promotional Items.....	8	25	10
Royalty Payments.....	29	35	35
Reimbursement - Issuance of Free Fishing Licenses.....	798	0	0
Sale of Timber.....	0	100	200
<b>TOTAL.....</b>	<b>\$ 3,368</b>	<b>\$ 2,595</b>	<b>\$ 2,898</b>
<b>TOTAL REVENUES.....</b>	<b>\$ 23,654</b>	<b>\$ 23,613</b>	<b>\$ 23,494</b>
<b>Augmentations</b>			
Sale of Automobiles and Other Vehicles.....	\$ 53	\$ 50	\$ 50
Reimbursement for Services - Boat Fund.....	10,915	10,711	10,563
Reimbursement for Services - Department of Transportation.....	57	50	50
Reimbursement for Services - Shad Restoration.....	205	230	0
Reimbursement for Services - DEP/EPA Projects.....	42	80	80
Reimbursement for Services - Wild Resource Conservation Fund.....	0	13	0
Federal Reimbursement - Sport Fish Restoration.....	5,087	5,138	5,106
Federal Reimbursement - Surface Mine Regulation.....	44	40	40
Federal Reimbursement - NOAA.....	282	668	611
Purchasing Card Rebate.....	5	8	8
USFWS - Partner for Wildlife.....	0	10	10
Transportation - Environmental Assessment.....	0	89	89
Transportation - Endangered/Threatened Species.....	0	50	50
<b>TOTAL.....</b>	<b>\$ 16,690</b>	<b>\$ 17,137</b>	<b>\$ 16,657</b>
<b>TOTAL RECEIPTS.....</b>	<b>\$ 40,344</b>	<b>\$ 40,750</b>	<b>\$ 40,151</b>





---

# GAME FUND

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



## Financial Statement

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
<b>Beginning Balance</b> .....	\$ 22,832	\$ 20,307	\$ 16,948
<b>Receipts:</b>			
Revenue Estimate.....	\$ 49,122	\$ 55,188	\$ 56,019
Prior Year Lapses.....	3,928	0	0
Total Receipts.....	<u>\$ 53,050</u>	<u>\$ 55,188</u>	<u>\$ 56,019</u>
<b>Funds Available</b> .....	\$ 75,882	\$ 75,495	\$ 72,967
<b>Expenditures:</b>			
Appropriated.....	\$ 55,575	\$ 58,547	\$ 56,762
Estimated Expenditures.....	<u>-55,575</u>	<u>-58,547</u>	<u>-56,762</u>
<b>Ending Balance</b> .....	<u>\$ 20,307</u>	<u>\$ 16,948</u>	<u>\$ 16,205</u>

## Summary by Department

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Estimate	2000-01 Budget
<b>Treasury Department</b>			
General Government			
Replacement Checks.....	\$ 0	\$ 5	\$ 5
<b>Game Commission</b>			
General Government			
General Operations.....	\$ 47,546	\$ 48,237	\$ 46,471
Land Acquisition and Development.....	0	2,000	2,500
DEPARTMENT TOTAL.....	<u>\$ 47,546</u>	<u>\$ 50,237</u>	<u>\$ 48,971</u>
<b>TOTAL STATE FUNDS</b> .....	<u>\$ 47,546</u>	<u>\$ 50,242</u>	<u>\$ 48,976</u>
Federal Funds.....	\$ 7,322	\$ 7,607	\$ 7,254
Other Funds.....	707	698	532
FUND TOTAL.....	<u>\$ 55,575</u>	<u>\$ 58,547</u>	<u>\$ 56,762</u>



**REVENUE SUMMARY**

(Dollar Amounts in Thousands)

**Five Year Revenue Projections**

	1998-99 Actual	1999-00 Estimated	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
Licenses and Fees.....	\$ 21,878	\$ 28,458	\$ 28,458	\$ 28,458	\$ 28,458	\$ 28,458	\$ 28,458
Fines and Penalties.....	1,240	1,552	1,552	1,552	1,552	1,552	1,552
Miscellaneous.....	17,975	16,873	18,223	18,523	18,023	18,023	18,023
<b>TOTAL GAME FUND REVENUES.....</b>	<b>\$ 41,093</b>	<b>\$ 46,883</b>	<b>\$ 48,233</b>	<b>\$ 48,533</b>	<b>\$ 48,033</b>	<b>\$ 48,033</b>	<b>\$ 48,033</b>
Augmentations.....	\$ 8,029	\$ 8,305	\$ 7,786	\$ 7,786	\$ 7,786	\$ 7,786	\$ 7,786
<b>TOTAL GAME FUND RECEIPTS.....</b>	<b>\$ 49,122</b>	<b>\$ 55,188</b>	<b>\$ 56,019</b>	<b>\$ 56,319</b>	<b>\$ 55,819</b>	<b>\$ 55,819</b>	<b>\$ 55,819</b>

**Revenue Sources**

**Licenses and Fees**

Actual	Estimated
1993-94..... \$ 25,388	1999-00..... \$ 28,458
1994-95..... 26,363	2000-01..... 28,458
1995-96..... 25,087	2001-02..... 28,458
1996-97..... 22,290	2002-03..... 28,458
1997-98..... 21,370	2003-04..... 28,458
1998-99..... 21,878	2004-05..... 28,458

Through the passage of Act 166 of 1998, new fees for licenses became effective July 1999. For resident hunting and resident furtaker licenses, the fees are: ages 17 to 64, \$19.00; over age 65, \$12.00; ages 12 to 16, \$5.00. Resident senior lifetime hunting and furtaker licenses are \$50.00 each; and a resident senior lifetime combination hunting and furtaking license is \$100.00. A junior resident combination hunting and furtaker license is \$8.00. Resident bear hunting and archery licenses are \$15.00; a muzzleloading resident license, \$10.00; and a resident antlerless deer license, \$5.00. For nonresidents of the Commonwealth, hunting licenses are: over age 17, \$100.00; ages 12 to 16, \$40.00. A junior nonresident combination hunting and furtaker license is \$50.00. In addition, a license for a nonresident to hunt bear is \$35.00; a license for a nonresident to hunt antlerless deer, \$25.00; and a muzzleloading license for a nonresident, \$20.00. Nonresidents are also able to purchase an adult furtaker license for \$80.00; a junior furtaker license for \$40.00; and a seven-day license to hunt small game for \$30.00. Amounts shown from 1996-97 through 2004-05 are net of transfers of funds to restricted revenue accounts for general habitat improvement, deer food and cover, and natural propagation of game. Please see the Game Commission presentation in Section E for additional information.

**Fines and Penalties**

Actual	Estimated
1993-94..... \$ 1,581	1999-00..... \$ 1,552
1994-95..... 1,323	2000-01..... 1,552
1995-96..... 2,140	2001-02..... 1,552
1996-97..... 1,500	2002-03..... 1,552
1997-98..... 1,534	2003-04..... 1,552
1998-99..... 1,240	2004-05..... 1,552

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



## Revenue Sources (continued)

### Miscellaneous Revenue

	Actual	Estimated
1993-94.....	\$ 16,785	1999-00..... \$ 16,873
1994-95.....	16,155	2000-01..... 18,223
1995-96.....	16,774	2001-02..... 18,523
1996-97.....	15,870	2002-03..... 18,023
1997-98.....	17,053	2003-04..... 18,023
1998-99.....	17,975	2004-05..... 18,023

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 revenues available for appropriations and executive authorizations.

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Estimate	2000-01 Budget
<b>Licenses and Fees</b>			
Resident Hunting Licenses.....	\$ 9,798	\$ 14,694	\$ 14,694
Resident Junior Hunting Licenses.....	493	570	570
Nonresident Hunting Licenses.....	5,338	5,314	5,314
Special Game Permits.....	282	325	325
Special Antlerless Deer Licenses.....	3,741	4,290	4,290
Special Archery Licenses.....	1,629	4,409	4,409
Landowner Hunting Licenses.....	5	6	6
Resident Senior Hunting Licenses.....	469	575	575
Muzzleloading Hunting Licenses.....	447	871	871
Right-of-Way Licenses.....	451	400	400
Resident Bear Licenses.....	1,095	1,575	1,575
Nonresident Bear Licenses.....	72	95	95
Hunting License Issuing Agents' Application Fees.....	34	30	30
Nonresident Junior Hunting License.....	109	80	80
Nonresident 7-Day Hunting License.....	66	133	133
Senior Resident - Lifetime Hunting License.....	185	250	250
Adult Resident Furtaker License.....	253	437	437
Junior Resident Furtaker License.....	16	15	15
Senior Resident Furtaker License.....	14	15	15
Nonresident Furtaker License.....	60	30	30
Senior Lifetime Furtaker License.....	5	7	7
Junior Nonresident Furtaker.....	8	2	2
Migratory Game Bird License.....	1	317	317
<b>TOTAL.....</b>	<b>\$ 24,571</b>	<b>\$ 34,440</b>	<b>\$ 34,440</b>
<b>Restricted Revenue</b>			
Transfer to General Habitat Improvement.....	\$ -1,202	\$ -1,236	\$ -1,236
Transfer to Deer Food and Cover.....	-1,491	-1,638	-1,638
Transfer to Natural Propagation of Game.....	0	-3,108	-3,108
<b>TOTAL.....</b>	<b>\$ -2,693</b>	<b>\$ -5,982</b>	<b>\$ -5,982</b>
<b>Net Licenses and Fees</b>			
<b>TOTAL.....</b>	<b>\$ 21,878</b>	<b>\$ 28,458</b>	<b>\$ 28,458</b>



## Revenue Detail (continued)

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Estimate	2000-01 Budget
<b>Fines and Penalties</b>			
Game Law Fines.....	\$ 1,240	\$ 1,552	\$ 1,552
<b>TOTAL.....</b>	<b>\$ 1,240</b>	<b>\$ 1,552</b>	<b>\$ 1,552</b>
<b>Miscellaneous Revenue</b>			
Sports Promotional Publications and Materials.....	\$ 6	\$ 10	\$ 10
Sale of Coal.....	6	150	150
Sale of Wood Products.....	13,177	12,000	13,000
Sale of Stone, Sand, Gravel and Limestone.....	1	0	0
Interest on Deposits.....	78	75	75
Sale of Unserviceable Property.....	73	20	20
Sale of Skins and Guns.....	37	25	25
Rental of State Property.....	9	10	10
Miscellaneous Revenue.....	75	100	100
Interest on Securities.....	1,766	2,350	2,350
Gas and Oil Ground Rentals and Royalties.....	605	680	680
Refund of Expenditures Not Credited to Appropriations.....	4	5	5
Miscellaneous Revenue License Division.....	23	25	25
Sale of Game News.....	701	711	711
Condemnation Awards Received.....	0	1	1
Sale of Grain and Hay.....	21	55	55
Sale of Maps.....	13	30	30
Wildlife Management Promotional Revenue.....	64	225	225
Sale of Wood Products - PR Tracts.....	1,111	150	500
Sale of Centennial Commemorative Items.....	1	0	0
Working Together For Wildlife - Non-Game Fund.....	107	150	150
Migratory Bird Harvest Information Card Program.....	12	1	1
Oil and Gas Recovery Support.....	54	20	20
Waterfowl Management Stamp Sales and Royalties.....	27	77	77
Sales Tax.....	4	3	3
<b>TOTAL.....</b>	<b>\$ 17,975</b>	<b>\$ 16,873</b>	<b>\$ 18,223</b>
<b>TOTAL REVENUES.....</b>	<b>\$ 41,093</b>	<b>\$ 46,883</b>	<b>\$ 48,233</b>
<b>Augmentations</b>			
Sale of Automobiles.....	\$ 234	\$ 250	\$ 250
Federal Reimbursement - Pittman Robinson Act.....	7,285	7,500	7,200
Endangered Species Program.....	24	48	8
Pennsylvania Conservation Corps.....	173	216	100
Federal Reimbursement - Surface Mine Regulation.....	47	46	46
Private Donations.....	95	40	10
Youth Hunter Education Challenge.....	4	5	5
Streambank Fencing Program.....	54	0	0
Emergency and Disaster Relief - 1996 Flood.....	4	0	0
PennDot Reimbursement - Deer Roadkill.....	117	150	150
PennDot Reimbursement - Elk Lick Project.....	9	20	0
Federal Reimbursement - Harvest Information Program.....	-37	13	0
Becoming an Outdoors Woman.....	16	15	15
Purchasing Card Rebate.....	4	2	2
	<b>\$ 8,029</b>	<b>\$ 8,305</b>	<b>\$ 7,786</b>
<b>TOTAL RECEIPTS.....</b>	<b>\$ 49,122</b>	<b>\$ 55,188</b>	<b>\$ 56,019</b>





---

# KEYSTONE RECREATION, PARK AND CONSERVATION FUND

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





# Keystone Recreation, Park and Conservation Fund

## Financial Statement

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
<b>Beginning Balance</b> .....	\$ 69,584	\$ 72,011	\$ 47,325
<b>Receipts:</b>			
Revenue Estimate.....	\$ 50,968	\$ 50,882	\$ 51,825
Prior Year Lapses.....	19,920	28,367	0
Total Receipts.....	\$ 70,888	\$ 79,249	\$ 51,825
<b>Funds Available</b> .....	\$ 140,472	\$ 151,260	\$ 99,150
<b>Expenditures:</b>			
Appropriated.....	\$ 68,461	\$ 103,935	\$ 51,010
Estimated Expenditures.....	-68,461	-103,935	-51,010
<b>Ending Balance</b> .....	\$ 72,011	\$ 47,325	\$ 48,140

## Summary by Department

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Estimate	2000-01 Budget
<b>Treasury</b>			
Bond Issuance Expenses.....	\$ 2	\$ 0	\$ 0
<b>Department of Conservation and Natural Resources</b>			
<b>General Government</b>			
Park and Forest Facility Rehabilitation — Bond Proceeds..	\$ 119	\$ 0	\$ 0
Park and Forest Facility Rehabilitation — Realty Transfer Tax.....	14,993	25,672	15,265
Subtotal.....	\$ 15,112	\$ 25,672	\$ 15,265
<b>Grants and Subsidies</b>			
Grants for Local Recreation — Bond Proceeds.....	\$ 5,166	\$ 0	\$ 0
Grants for Local Recreation — Realty Transfer Tax.....	19,138	40,625	12,721
Grants to Land Trusts — Bond Proceeds.....	322	0	0
Grants to Land Trusts — Realty Transfer Tax.....	9,036	12,880	5,088
Grants to Zoos — Bond Proceeds.....	919	5	0
Subtotal.....	\$ 34,581	\$ 53,510	\$ 17,809
<b>DEPARTMENT TOTAL</b> .....	\$ 49,693	\$ 79,182	\$ 33,074
<b>Department of Education</b>			
<b>Grants and Subsidies</b>			
Local Libraries Rehabilitation and Development — Bond Proceeds.....	\$ 70	\$ 0	\$ 0
Local Libraries Rehabilitation and Development — Realty Transfer Tax.....	1,684	4,200	2,035
<b>DEPARTMENT TOTAL</b> .....	\$ 1,754	\$ 4,200	\$ 2,035



# Keystone Recreation, Park and Conservation Fund

## Summary by Department (continued)

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Estimate	2000-01 Budget
<b>State System of Higher Education</b>			
<b>General Government</b>			
Deferred Maintenance — Realty Transfer Tax.....	\$ 8,110	\$ 8,642	\$ 9,286
<b>Fish and Boat Commission</b>			
<b>General Government</b>			
Fishing and Boating Access Areas — Bond Proceeds.....	\$ 742	\$ 0	\$ 0
<b>Game Commission</b>			
<b>General Government</b>			
Land Acquisition and Development — Bond Proceeds.....	\$ 0	\$ 19	\$ 0
<b>Historical and Museum Commission</b>			
<b>Grants and Subsidies</b>			
Historic Site Development — Bond Proceeds.....	\$ 1,335	\$ 0	\$ 0
Historic Site Development — Realty Transfer Tax.....	6,825	11,892	6,615
<b>DEPARTMENT TOTAL</b> .....	<b>\$ 8,160</b>	<b>\$ 11,892</b>	<b>\$ 6,615</b>
<b>FUND TOTAL</b> .....	<b>\$ 68,461</b>	<b>\$ 103,935</b>	<b>\$ 51,010</b>

# Keystone Recreation, Park and Conservation Fund

## REVENUE SUMMARY

(Dollar Amounts in Thousands)

### Five Year Revenue Projections

	1998-99 Actual	1999-00 Estimated	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
Realty Transfer Tax.....	\$ 45,577	\$ 47,600	\$ 49,200	\$ 53,800	\$ 58,300	\$ 63,400	\$ 68,900
Miscellaneous.....	5,391	3,282	2,625	2,760	2,985	3,225	3,489
<b>TOTAL KEYSTONE RECREATION, PARK AND CONSERVATION FUND RECEIPTS.....</b>	<b>\$ 50,968</b>	<b>\$ 50,882</b>	<b>\$ 51,825</b>	<b>\$ 56,560</b>	<b>\$ 61,285</b>	<b>\$ 66,625</b>	<b>\$ 72,389</b>

### Revenue Sources

#### Sale of Bonds

Actual		Estimated	
1993-94.....	\$ 0	1999-00.....	\$ 0
1994-95.....	11,873	2000-01.....	0
1995-96.....	23,684	2001-02.....	0
1996-97.....	0	2002-03.....	0
1997-98.....	14,140	2003-04.....	0
1998-99.....	0	2004-05.....	0

Act 50 of 1993 authorized a total of \$50,000,000 in bonds to fund various programs. Proceeds from the sale of these bonds, less costs of issuance and bond discounts, are deposited in this fund and distributed to agencies according to the formula specified in Act 50.

#### Realty Transfer Tax

Actual		Estimated	
1993-94.....	\$ 0	1999-00.....	\$ 47,600
1994-95.....	31,204	2000-01.....	49,200
1995-96.....	31,620	2001-02.....	53,800
1996-97.....	35,092	2002-03.....	58,300
1997-98.....	41,237	2003-04.....	63,400
1998-99.....	45,577	2004-05.....	68,900

Act 50 of 1993 approves the transfer of 15% of the revenues from the State Realty Transfer Tax to this fund. These monies are distributed to programs according to the formula contained in the act.



# Keystone Recreation, Park and Conservation Fund

## Revenue Sources (continued)

### Miscellaneous Revenues

Actual		Estimated	
1993-94.....	\$ 0	1999-00.....	\$ 3,282
1994-95.....	999	2000-01.....	2,625
1995-96.....	2,562	2001-02.....	2,760
1996-97.....	4,056	2002-03.....	2,985
1997-98.....	4,595	2003-04.....	3,225
1998-99.....	5,391	2004-05.....	3,489

Miscellaneous revenues are earned interest.

## Revenue Detail

The following is a detailed list of all Keystone Recreation, Park and Conservation Fund revenues available for appropriations and executive authorization.

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Estimate	2000-01 Budget
<b>Licenses and Fees</b>			
Realty Transfer Tax.....	\$ 45,577	\$ 47,600	\$ 49,200
Miscellaneous.....	5,391	3,282	2,625
<b>TOTAL RECEIPTS.....</b>	<b>\$ 50,968</b>	<b>\$ 50,882</b>	<b>\$ 51,825</b>





---

# LOTTERY FUND

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



## Financial Statement

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
<b>Beginning Balance</b> .....	\$ 82,602	\$ 112,828	\$ 192,150
Reserve from Previous Year.....	190,000	190,000	190,000
<b>Total Beginning Balance</b> .....	<u>\$ 272,602</u>	<u>\$ 302,828</u>	<u>\$ 382,150</u>
<b>Receipts:</b>			
Revenue Estimate.....	\$ 926,050	\$ 933,119	\$ 975,479
Prior Year Lapses.....	7,941	13,000	0
<b>Total Receipts</b> .....	<u>\$ 933,991</u>	<u>\$ 946,119</u>	<u>\$ 975,479</u>
<b>Funds Available</b> .....	<u>\$ 1,206,593</u>	<u>\$ 1,248,947</u>	<u>\$ 1,357,629</u>
<b>Expenditures:</b>			
Appropriated.....	\$ 949,767	\$ 891,797	\$ 988,171
Less Current Year Lapses.....	-46,002	-25,000	0
<b>Estimated Expenditures</b> .....	<u>-903,765</u>	<u>-866,797</u>	<u>-988,171</u>
Reserve for Current Year.....	\$ -190,000	\$ -190,000	\$ -160,000
<b>Ending Balance</b> .....	<u>\$ 112,828</u>	<u>\$ 192,150</u>	<u>\$ 209,458</u>



## Summary by Department

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Estimate	2000-01 Budget
<b>Executive Offices</b>			
<b>General Government</b>			
Ridership Verification.....	\$ 133	\$ 0	\$ 0
<b>Treasury Department</b>			
<b>General Government</b>			
Replacement Checks.....	\$ 3	\$ 100	\$ 100
<b>Department of Aging</b>			
<b>General Government</b>			
General Government Operations.....	\$ 4,764	\$ 0	\$ 0
<b>Grants and Subsidies</b>			
PENNCARE.....	\$ 181,397	\$ 186,786	\$ 192,579
Pharmaceutical Assistance Fund.....	260,000	260,000	290,000
Subtotal.....	\$ 441,397	\$ 446,786	\$ 482,579
<b>TOTAL STATE FUNDS</b> .....	<b>\$ 446,161</b>	<b>\$ 446,786</b>	<b>\$ 482,579</b>
Federal Funds.....	\$ 61,910	\$ 65,175	\$ 92,208
Augmentations.....	74	0	7,020
DEPARTMENT TOTAL.....	\$ 508,145	\$ 511,961	\$ 581,807
<b>Department of General Services</b>			
<b>General Government</b>			
Harristown Rental Charges.....	\$ 75	\$ 0	\$ 0
Harristown Utility and Municipal Charges.....	121	0	0
DEPARTMENT TOTAL.....	\$ 196	\$ 0	\$ 0
<b>Department of Revenue</b>			
<b>General Government</b>			
General Operations.....	\$ 47,279	\$ 0	\$ 0
On-line Vendor Commissions.....	27,227	36,698	38,646
Instant Vendor Commissions.....	9,487	9,982	10,110
Personal Income Tax for Lottery Prizes.....	24,416	0	0
Payment of Prize Money.....	167,817	198,105	182,888
Subtotal.....	\$ 276,226	\$ 244,785	\$ 231,644
<b>Grants and Subsidies</b>			
Property Tax and Rent Assistance for Older Pennsylvanians.....	\$ 77,399	\$ 80,000	\$ 155,500
<b>TOTAL STATE FUNDS</b> .....	<b>\$ 353,625</b>	<b>\$ 324,785</b>	<b>\$ 387,144</b>
Augmentations.....	\$ 3,758	\$ 0	\$ 0
DEPARTMENT TOTAL.....	\$ 357,383	\$ 324,785	\$ 387,144



## Summary by Department (continued)

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Estimate	2000-01 Budget
<b>Department of Transportation</b>			
<b>Grants and Subsidies</b>			
Older Pennsylvanians Free Transit.....	\$ 45,258	\$ 57,000	\$ 54,000
Older Pennsylvanians Shared Rides.....	58,389	63,126	64,348
DEPARTMENT TOTAL.....	<u>\$ 103,647</u>	<u>\$ 120,126</u>	<u>\$ 118,348</u>
<b>TOTAL STATE FUNDS.....</b>	<u><u>\$ 903,765</u></u>	<u><u>\$ 891,797</u></u>	<u><u>\$ 988,171</u></u>
Federal Funds.....	\$ 61,910	\$ 65,175	\$ 92,208
Other Funds.....	3,832	0	7,020
FUND TOTAL.....	<u><u>\$ 969,507</u></u>	<u><u>\$ 956,972</u></u>	<u><u>\$ 1,087,399</u></u>





## REVENUE SUMMARY

(Dollar Amounts in Thousands)

### Five Year Revenue Projections

	1998-99 Actual	1999-00 Estimated	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
Collections.....	\$ 899,691	\$ 912,751	\$ 950,303	\$ 950,540	\$ 950,793	\$ 951,064	\$ 951,357
Miscellaneous Revenue.....	26,359	20,368	25,176	23,219	18,751	11,928	2,620
<b>TOTAL LOTTERY FUND REVENUES.....</b>	<b>\$ 926,050</b>	<b>\$ 933,119</b>	<b>\$ 975,479</b>	<b>\$ 973,759</b>	<b>\$ 969,544</b>	<b>\$ 962,992</b>	<b>\$ 953,977</b>

### Revenue Sources

#### Net Lottery Collections

Actual		Estimated	
1993-94.....	\$ 848,265	1999-00.....	\$ 912,751
1994-95.....	841,404	2000-01.....	950,303
1995-96.....	856,428	2001-02.....	950,540
1996-97.....	928,259	2002-03.....	950,793
1997-98.....	909,844	2003-04.....	951,064
1998-99.....	899,691	2004-05.....	951,357

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 five games. The "Daily Number" game introduced in March 1977, the "Big 4" game introduced in November 1980, the "Cash 5" game introduced in April 1992, and the "Super Six" game introduced in September 1998, all utilize computer sales terminals located across the Commonwealth. The fifth 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, and "Super Six" which consists of three individual game plays to pick six of 69 numbers. "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)						
	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Ticket Sales.....	\$ 1,668,658	\$ 1,676,780	\$ 1,688,523	\$ 1,688,476	\$ 1,688,464	\$ 1,688,488	\$ 1,688,548
Commissions.....	-86,187	-86,614	-85,981	-85,987	-85,944	-86,004	-86,013
Field Paid Prizes.....	<u>-682,780</u>	<u>-677,415</u>	<u>-652,239</u>	<u>-651,949</u>	<u>-651,727</u>	<u>-651,420</u>	<u>-651,178</u>
<b>NET LOTTERY COLLECTIONS.....</b>	<b>\$ 899,691</b>	<b>\$ 912,751</b>	<b>\$ 950,303</b>	<b>\$ 950,540</b>	<b>\$ 950,793</b>	<b>\$ 951,064</b>	<b>\$ 951,357</b>

## Revenue Sources (continued)

### Capital Stock and Franchise Tax

Actual		Estimated	
1993-94.....	\$ 266	1999-00.....	\$ 0
1994-95.....	347	2000-01.....	0
1995-96.....	91	2001-02.....	0
1996-97.....	82	2002-03.....	0
1997-98.....	-47	2003-04.....	0
1998-99.....	0	2004-05.....	0

Tax Base and Rate: Act 22 of 1991 provided that the proceeds of one-quarter mill of the Capital Stock and Franchise tax for one taxable year that began during 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		Estimated	
1993-94.....	\$ 2,894	1999-00.....	\$ 20,368
1994-95.....	5,111	2000-01.....	25,176
1995-96.....	6,259	2001-02.....	23,219
1996-97.....	15,524	2002-03.....	18,751
1997-98.....	17,016	2003-04.....	11,928
1998-99.....	26,359	2004-05.....	2,620

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)

	1998-99 Actual	1999-00 Estimate	2000-01 Budget
Collections.....	\$ 899,691	\$ 912,751	\$ 950,303
Miscellaneous.....	26,359	20,368	25,176
<b>TOTAL LOTTERY FUND REVENUES.....</b>	<b>\$ 926,050</b>	<b>\$ 933,119</b>	<b>\$ 975,479</b>





---

# 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.



## Financial Statement

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
<b>Beginning Balance</b> .....	\$ 1,809	\$ 1,582	\$ 1,512
<b>Receipts:</b>			
Revenue Estimate.....	\$ 2,313	\$ 2,300	\$ 2,300
Prior Year Lapses.....	104	0	0
Total Receipts.....	<u>\$ 2,417</u>	<u>\$ 2,300</u>	<u>\$ 2,300</u>
<b>Funds Available</b> .....	<u>\$ 4,226</u>	<u>\$ 3,882</u>	<u>\$ 3,812</u>
<b>Expenditures:</b>			
Appropriated.....	\$ 2,644	\$ 2,370	\$ 2,432
Estimated Expenditures.....	<u>-2,644</u>	<u>-2,370</u>	<u>-2,432</u>
<b>Ending Balance</b> .....	<u><u>\$ 1,582</u></u>	<u><u>\$ 1,512</u></u>	<u><u>\$ 1,380</u></u>

## Summary by Department

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Estimate	2000-01 Budget
<b>Treasury Department</b>			
<b>General Government</b>			
Replacement Checks.....	\$ 0	\$ 5	\$ 5
Refund Milk Marketing Licenses and Fees.....	0	5	5
DEPARTMENT TOTAL.....	<u>\$ 0</u>	<u>\$ 10</u>	<u>\$ 10</u>
<b>Milk Marketing Board</b>			
<b>General Government</b>			
General Operations.....	\$ 2,644	\$ 2,360	\$ 2,422
FUND TOTAL.....	<u><u>\$ 2,644</u></u>	<u><u>\$ 2,370</u></u>	<u><u>\$ 2,432</u></u>



**REVENUE SUMMARY**

(Dollar Amounts in Thousands)

**Five Year Revenue Projections**

	1998-99 Actual	1999-00 Estimated	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
Licenses and Fees.....	\$ 2,158	\$ 2,164	\$ 2,164	\$ 2,164	\$ 2,164	\$ 2,164	\$ 2,164
Fines and Penalties.....	20	10	10	10	10	10	10
Miscellaneous Revenue.....	135	126	126	126	126	126	126
<b>TOTAL MILK MARKETING FUND REVENUES.....</b>	<b>\$ 2,313</b>	<b>\$ 2,300</b>	<b>\$ 2,300</b>	<b>\$ 2,300</b>	<b>\$ 2,300</b>	<b>\$ 2,300</b>	<b>\$ 2,300</b>

**Revenue Sources**

**Licenses and Fees**

Actual	Estimated
1993-94..... \$ 2,070	1999-00..... \$ 2,164
1994-95..... 2,047	2000-01..... 2,164
1995-96..... 2,139	2001-02..... 2,164
1996-97..... 2,007	2002-03..... 2,164
1997-98..... 2,147	2003-04..... 2,164
1998-99..... 2,158	2004-05..... 2,164

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	Estimated
1993-94..... \$ 68	1999-00..... \$ 10
1994-95..... 100	2000-01..... 10
1995-96..... 2	2001-02..... 10
1996-97..... 31	2002-03..... 10
1997-98..... 4	2003-04..... 10
1998-99..... 20	2004-05..... 10

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.

## Revenue Sources (continued)

### Miscellaneous Revenue

	Actual		Estimated	
1993-94.....	\$ 61		1999-00.....	\$ 126
1994-95.....	119		2000-01.....	126
1995-96.....	152		2001-02.....	126
1996-97.....	148		2002-03.....	126
1997-98.....	156		2003-04.....	126
1998-99.....	135		2004-05.....	126

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

## Revenue Detail

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

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Estimate	2000-01 Budget
<b>Licenses and Fees</b>			
Milk Dealers Licenses.....	\$ 1,489	\$ 1,520	\$ 1,519
Milk Testers Certificate Fees.....	7	4	4
Milk Weighers Certificate Fees.....	30	29	29
Milk Tester and Weighers Examination Fees.....	4	3	4
Milk Haulers Licenses Fees.....	593	572	572
Milk Sub Dealers Licenses.....	17	15	16
Service Contract Fees.....	18	21	20
<b>TOTAL.....</b>	<b>\$ 2,158</b>	<b>\$ 2,164</b>	<b>\$ 2,164</b>
<b>Fines and Penalties</b>			
Milk Marketing Act Fines.....	\$ 20	\$ 10	\$ 10
<b>Miscellaneous Revenues</b>			
Interest on Securities.....	\$ 134	\$ 124	\$ 124
General Operations.....	1	2	2
<b>TOTAL.....</b>	<b>\$ 135</b>	<b>\$ 126</b>	<b>\$ 126</b>
<b>TOTAL REVENUES.....</b>	<b>\$ 2,313</b>	<b>\$ 2,300</b>	<b>\$ 2,300</b>



---

# RACING FUND

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



## Financial Statement

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
<b>Beginning Balance</b> .....	\$ 11,982	\$ 10,332	\$ 10,274
Adjustment to Beginning Balance.....	0	-118	0
<b>Adjusted Beginning Balance</b> .....	<u>\$ 11,982</u>	<u>\$ 10,214</u>	<u>\$ 10,274</u>
<b>Receipts:</b>			
Revenue Estimate.....	\$ 18,541	\$ 19,506	\$ 19,090
Prior Year Lapses.....	252	0	0
<b>Total Receipts</b> .....	<u>\$ 18,793</u>	<u>\$ 19,506</u>	<u>\$ 19,090</u>
<b>Funds Available</b> .....	<u>\$ 30,775</u>	<u>\$ 29,720</u>	<u>\$ 29,364</u>
<b>Expenditures:</b>			
Appropriated.....	\$ 20,443	\$ 19,446	\$ 19,868
Estimated Expenditures.....	-20,443	-19,446	-19,868
<b>Ending Balance</b> .....	<u>\$ 10,332</u>	<u>\$ 10,274</u>	<u>\$ 9,496</u>

## Summary by Department

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Estimate	2000-01 Budget
<b>Treasury Department</b>			
<b>General Government</b>			
Replacement Checks.....	\$ 7	\$ 10	\$ 10
<b>Department of Agriculture</b>			
<b>General Government</b>			
State Racing Commissions.....	\$ 6,446	\$ 7,042	\$ 7,160
Equine Toxicology and Research Laboratory.....	1,628	1,788	2,013
Payments to Pennsylvania Fairs--Administration.....	172	177	189
<b>Subtotal</b> .....	<u>\$ 8,246</u>	<u>\$ 9,007</u>	<u>\$ 9,362</u>
<b>Grants and Subsidies</b>			
Transfer to the General Fund.....	\$ 11,981	\$ 10,213	\$ 10,274
<b>DEPARTMENT TOTAL</b> .....	<u>\$ 20,227</u>	<u>\$ 19,220</u>	<u>\$ 19,636</u>
<b>Department of Revenue</b>			
<b>General Government</b>			
Collections--Racing.....	\$ 209	\$ 216	\$ 222
<b>FUND TOTAL</b> .....	<u>\$ 20,443</u>	<u>\$ 19,446</u>	<u>\$ 19,868</u>





**REVENUE SUMMARY**

(Dollar Amounts in Thousands)

**Five Year Revenue Projections**

	1998-99 Actual	1999-00 Estimated	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
Tax Revenues.....	\$ 14,535	\$ 15,201	\$ 15,075	\$ 15,075	\$ 15,075	\$ 15,075	\$ 15,075
Licenses and Fees.....	357	447	447	447	447	447	447
Miscellaneous Revenue.....	3,649	3,858	3,568	3,568	3,568	3,568	3,568
<b>TOTAL RACING FUND REVENUES.....</b>	<b>\$ 18,541</b>	<b>\$ 19,506</b>	<b>\$ 19,090</b>	<b>\$ 19,090</b>	<b>\$ 19,090</b>	<b>\$ 19,090</b>	<b>\$ 19,090</b>

**Revenue Sources**

**Tax Revenues**

Actual	Estimated
1993-94..... \$ 8,918	1999-00..... \$ 15,201
1994-95..... 11,709	2000-01..... 15,075
1995-96..... 13,336	2001-02..... 15,075
1996-97..... 14,783	2002-03..... 15,075
1997-98..... 15,461	2003-04..... 15,075
1998-99..... 14,535	2004-05..... 15,075

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 1.5 percent effective July 1, 1986, and thereafter. For licensed racing corporations not conducting the minimum number of racing days, the wagering rate was changed to 2.5 percent from July 1, 1984 to June 30, 1986, and 2 percent thereafter. 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	Estimated
1993-94..... \$ 431	1999-00..... \$ 447
1994-95..... 462	2000-01..... 447
1995-96..... 425	2001-02..... 447
1996-97..... 431	2002-03..... 447
1997-98..... 426	2003-04..... 447
1998-99..... 357	2004-05..... 447

Licenses and fees are revenues derived from the licensing of jockeys and such other persons participating in horse racing meets as prescribed by the State Racing Commissions.



## Revenue Sources (continued)

### Miscellaneous Revenue

Actual		Estimated	
1993-94.....	\$ 1,580	1999-00.....	\$ 3,858
1994-95.....	1,886	2000-01.....	3,568
1995-96.....	2,983	2001-02.....	3,568
1996-97.....	3,526	2002-03.....	3,568
1997-98.....	3,782	2003-04.....	3,568
1998-99.....	3,649	2004-05.....	3,568

Penalties and interest on taxes due, interest on securities and uncashed tickets comprise miscellaneous revenue.

## Revenue Detail

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

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Estimate	2000-01 Budget
State Admission Tax.....	\$ 119	\$ 160	\$ 160
Wagering Tax.....	13,337	13,916	13,790
Breakage Tax.....	1,079	1,125	1,125
<b>TOTAL.....</b>	<b>\$ 14,535</b>	<b>\$ 15,201</b>	<b>\$ 15,075</b>
<b>Licenses and Fees</b>			
License Fees.....	\$ 357	\$ 447	\$ 447
<b>Miscellaneous Revenues</b>			
Uncashed Tickets.....	\$ 3,098	\$ 3,300	\$ 3,000
Interest on Securities.....	536	556	561
Miscellaneous.....	13	0	5
Interest on Deposits.....	2	2	2
<b>TOTAL.....</b>	<b>\$ 3,649</b>	<b>\$ 3,858</b>	<b>\$ 3,568</b>
<b>TOTAL REVENUES.....</b>	<b>\$ 18,541</b>	<b>\$ 19,506</b>	<b>\$ 19,090</b>





---

# TOBACCO SETTLEMENT FUND

The Tobacco Settlement Fund is a special revenue fund composed of monies from all tobacco settlements under the Tobacco Master Settlement Agreement. It provides for smoking prevention and smoking cessation programs and other health related programs including home and community based care, venture capital for medical equipment, and support for the uninsured, catastrophic and uncompensated care.



## Financial Statement \*

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
<b>Beginning Balance</b> .....	\$ 0	\$ 0	\$ 310,086
<b>Receipts:</b>			
Revenue Estimate.....	\$ 0	\$ 310,086	\$ 334,770
Prior Year Lapses.....	0	0	0
Total Receipts.....	<u>0</u>	<u>310,086</u>	<u>334,770</u>
<b>Funds Available</b> .....	<u>\$ 0</u>	<u>\$ 310,086</u>	<u>\$ 644,856</u>
<b>Expenditures:</b>			
Appropriated.....	\$ 0	\$ 0	\$ 310,086
Less Current Year Lapses.....	0	0	0
Estimated Expenditures.....	<u>0</u>	<u>0</u>	<u>-310,086</u>
<b>Ending Balance</b> .....	<u>\$ 0</u>	<u>\$ 310,086</u>	<u>\$ 334,770</u>

\* Excludes restricted revenue.



## Summary by Department

(Dollar Amounts in Thousands)

	<u>1998-99 Actual</u>	<u>1999-00 Estimate</u>	<u>2000-01 Budget</u>
<b>Department of Aging</b>			
<b>Grants and Subsidies</b>			
Nursing Home Alternatives Support.....	\$ 0	\$ 0	\$ 14,688
DEPARTMENT TOTAL.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 14,688</u>
<b>Department of Community and Economic Development</b>			
<b>Grants and Subsidies</b>			
Venture Capital.....	\$ 0	\$ 0	\$ 16,320
DEPARTMENT TOTAL.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 16,320</u>
<b>Department of Health</b>			
<b>Grants and Subsidies</b>			
Health Research.....	\$ 0	\$ 0	\$ 32,641
Tobacco Use Prevention.....	0	0	32,641
Tobacco Use Cessation.....	0	0	16,320
DEPARTMENT TOTAL.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 81,602</u>
<b>Department of Insurance</b>			
<b>Grants and Subsidies</b>			
Adult Health Insurance Program.....	\$ 0	\$ 0	\$ 105,755
DEPARTMENT TOTAL.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 105,755</u>
<b>Department of Public Welfare</b>			
<b>Grants and Subsidies</b>			
Medical Care for Persons with Disabilities.....	\$ 0	\$ 0	\$ 24,807
Uncompensated Care.....	0	0	32,641
Nursing Home Alternative Services.....	0	0	34,273
DEPARTMENT TOTAL.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 91,721</u>
FUND TOTAL.....	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 310,086</u></u>



## REVENUE SUMMARY

(Dollar Amounts in Thousands)

### Five Year Revenue Projections

	1998-99 Actual	1999-00 Estimated	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
Tobacco Settlement Revenue.	\$ 0	\$ 310,086	\$ 334,770	\$ 403,586	\$ 407,578	\$ 358,099	\$ 363,447
<b>TOTAL TOBACCO FUND REVENUES.....</b>	<b>\$ 0</b>	<b>\$ 310,086</b>	<b>\$ 334,770</b>	<b>\$ 403,586</b>	<b>\$ 407,578</b>	<b>\$ 358,099</b>	<b>\$ 363,447</b>

### Revenue Sources

#### Tobacco Settlement Revenue

Actual	Estimated
1993-94..... \$ 0	1999-00..... \$ 310,086
1994-95..... 0	2000-01..... 334,770
1995-96..... 0	2001-02..... 403,586
1996-97..... 0	2002-03..... 407,578
1997-98..... 0	2003-04..... 358,099
1998-99..... 0	2004-05..... 363,447

Tobacco Settlement revenue includes payments from all tobacco settlements under the Master Tobacco Settlement Agreement not set aside in the restricted revenue Endowment Account.

### Revenue Detail

The following is a detailed list of all Tobacco Settlement Fund revenues.

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Estimate	2000-01 Budget
Gross Settlements .....	\$ 0	\$ 326,406	\$ 352,389
Less 5% to Endowment Account.....	0	-16,320	-17,619
<b>NET TOBACCO SETTLEMENT REVENUE.....</b>	<b>\$ 0</b>	<b>\$ 310,086</b>	<b>\$ 334,770</b>



**Restricted Revenues Not Included in Department Total**

**Tobacco Endowment Account Revenue**

(Dollar Amounts in Thousands)

Actual		Estimated	
1993-94.....	\$ 0	1999-00.....	\$ 167,729
1994-95.....	0	2000-01.....	38,419
1995-96.....	0	2001-02.....	45,141
1996-97.....	0	2002-03.....	47,352
1997-98.....	0	2003-04.....	46,847
1998-99.....	0	2004-05.....	50,129

Endowment Account restricted revenue includes all interest earned in the Tobacco Settlement Fund, the initial payment of Tobacco Settlement funds, five percent of each Annual Payment and lapses from the appropriations in the fund for the first five years.

	1998-99 Actual	1999-00 Estimate	2000-01 Budget
Initial Payment.....	\$ 0	\$ 142,262	\$ 0
5% of Annual Tobacco Settlement Payments....	0	16,320	17,619
Interest .....	0	9,147	20,800
Lapses.....	0	0	0
<b>Total Tobacco Endowment Account.....</b>	<b>\$ 0</b>	<b>\$ 167,729</b>	<b>\$ 38,419</b>





Governor's Executive Budget

*TAX*  
*EXPENDITURES*





---

# TAX EXPENDITURES

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



## TAX EXPENDITURE ANALYSIS

The traditional budget process involves estimating Commonwealth revenues and appropriating these moneys for numerous programs. The process is subject to intense scrutiny by interests inside and outside Government. Constrained by available revenues, programs are initiated, expanded, limited or deleted based on merit. To augment the traditional budget process, this budget includes an analysis of indirect expenditures that occur through special treatment within the tax structure. Various tax credits, deductions, exemptions and exclusions are provided which result in reductions in revenue that would otherwise be received by the Commonwealth at current tax rates. Cumulatively, they are referred to in this budget as "tax expenditures."

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

Act 180 of 1992 revised the requirements for the Governor's Executive Budget tax expenditure analysis. This act stipulated that the tax expenditure data be revised and updated every two years. Therefore, consistent with this provision, tax expenditures presented in this and subsequent budget documents will be updated and revised biennially. Exceptions include tax expenditures initiated, deleted or amended by statute, expenditures where improved data allow significant revisions or items of significant policy interest.

The 2000-01 Governor's Executive Budget presents this tax expenditure analysis covering Commonwealth taxes with annual receipts of at least \$15 million. A complete list of covered taxes is shown in the Table of Contents. The intended purposes of the current analyses are to:

- (1) Identify indirect sources of budgetary support for various activities,
- (2) Present estimated costs associated with each tax expenditure,
- (3) Present actual or estimated costs of administering each tax expenditure,
- (4) Present actual or estimated numbers and descriptions of benefiting taxpayers, and
- (5) Allow for administration, legislative and public scrutiny and facilitate discussion on each tax expenditure's merits.

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

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



## Tax Expenditure Analysis (continued)

The following examples of several items not considered to be tax expenditures clarify the use of these criteria:

Purchases made by Commonwealth agencies are not subject to sales and use tax. Were these transactions not exempted, tax revenues would increase but increased Commonwealth expenses would offset revenues. Therefore, no net budgetary change occurs. This item is not a tax expenditure.

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

Financial institutions and insurance companies are exempted from corporate net income tax (CNIT) and capital stock / foreign franchise tax (CS/FT). However, these corporations are subject to alternative taxes: the bank and trust company shares tax, mutual thrift institutions tax or insurance premiums tax. The exemption of these corporations from the CNIT and CS/FT is not in itself a tax expenditure; however, to the extent that those taxes may not impose proportionate tax burdens on the exempted companies, the overall tax structure may involve some indirect tax expenditure.

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

There are three primary limitations on the tax expenditure estimates. First, estimated revenue foregone due to a tax expenditure should not be construed as the revenue which could be gained if the tax expenditure provision were to be 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. Estimates of revenue loss or beneficiary count and description 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. No administrative costs are reported for tax expenditures that provide incentives to implement or continue programs that replace or supplement efforts that would otherwise be the responsibility of state government.

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



## CREDIT PROGRAMS

### NEIGHBORHOOD ASSISTANCE PROGRAMS

---

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

*Description:* A tax credit is available to banks, thrift institutions, title insurance and trust companies, and insurance companies (other than foreign fire/casualty insurance companies), as well as corporations doing business in Pennsylvania and subject to the corporate net income tax and the capital stock / foreign 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 and Economic Development. The credit available to a taxpayer equals up to 50 percent of the contribution to approved programs during the tax year, but may not exceed \$250,000. An expanded credit of 70 percent (maximum of \$350,000 per taxpayer) may be available for investments in certain priority programs defined by the Secretary of Community and Economic Development. The total amount of credits taken by all taxpayers cannot exceed \$18,000,000 in fiscal year 1999-00 and later.

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

*Administrative Costs:* Costs to administer the Neighborhood Assistance Program credits are borne by the Department of Community and Economic Development and the Department of Revenue. Estimated costs for both departments total \$0.3 million per year.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<b>Corporate Net Income Tax</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 3.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0
	<b>Capital Stock / Foreign Franchise Tax</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 3.2	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0
	<b>Selective Business Taxes</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 2.1	\$ 4.4	\$ 4.4	\$ 4.4	\$ 4.4	\$ 4.4	\$ 4.4

*Beneficiaries:* Approximately 1,570 companies doing business in Pennsylvania benefit from this tax expenditure.



# 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 payment credits are available for employees hired up to December 31, 2004. Additional credit is available for financing associated day care costs. Total employment incentive payment credits authorized cannot exceed \$25 million in any fiscal year.

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

**Administrative Costs:** Costs to administer the Employment Incentive Payments credit program are borne by the Department of Public Welfare, Department of Labor & Industry and the Department of Revenue. Estimated costs for all departments total \$0.2 million per year.

(Dollar Amounts in Millions)

<b>Estimates:</b>	<b>Corporate Taxes</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 1.9	\$ 1.9	\$ 7.3	\$ 14.3	\$ 19.3	\$ 19.1	\$ 19.1
<b>Estimates:</b>	<b>Personal Income Tax</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.5	\$ 0.5	\$ 1.9	\$ 4.2	\$ 5.2	\$ 5.9	\$ 5.9

**Beneficiaries:** Approximately 600 companies doing business in Pennsylvania and 1,000 Pennsylvania personal income taxpayers are expected to benefit from this tax expenditure.

## 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 foreclosure and distress sale of a home resulting from circumstances beyond a homeowner's control.

**Administrative Costs:** Nominal

**Estimates:** There has been no application of credits during FY 1985-86 through FY 1998-99. Limited participation in this program is expected in the future.

**Beneficiaries:** NA



# General Fund Tax Expenditures

## JOB CREATION TAX CREDIT

**Authorization:** Act of June 29, 1996 (P.L. 434, No. 67), as amended.

**Description:** A tax credit is available to businesses and individuals creating and sustaining jobs. The tax credit equals \$1,000 per job for each year in the approved term and may be applied to the corporate net income tax, capital stock / foreign franchise tax, gross premiums tax, gross receipts tax, bank and trust company shares tax, mutual thrift institution tax, title insurance company shares tax, personal income tax or any combination thereof. The total amount of funds for tax credits available in a year is \$20,000,000.

**Purpose:** This tax credit encourages job creation and preservation in the Commonwealth.

**Administrative Costs:** Costs to administer the Job Creation Tax credits are borne by the Department of Community and Economic Development and the Department of Revenue. Estimated costs for both departments total \$0.2 million per year.

(Dollar Amounts in Millions)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 20.0	\$ 20.0	\$ 20.0	\$ 20.0	\$ 20.0	\$ 20.0	\$ 20.0

**Beneficiaries:** Approximately 130 companies doing business in Pennsylvania benefit from this tax expenditure.

## RESEARCH AND DEVELOPMENT TAX CREDIT

**Authorization:** Act of May 7, 1997 (P.L. 85, No. 7).

**Description:** A research and development tax credit is available for performing qualified research in Pennsylvania. The credit equals 10 percent of the increase in qualified research expenses for the current taxable year over a base period. Total credits in any one fiscal year are capped at \$15 million with \$3 million of the total earmarked exclusively for small business. The credit may be applied against the corporate net income tax, capital stock / foreign franchise tax, personal income tax or any combination thereof but may not exceed 50 percent of such qualified tax liability. Unused credits may be carried forward fifteen taxable years. Credits are available for tax years ending on or before December 31, 2004.

**Purpose:** This tax credit is intended to encourage businesses in the Commonwealth to conduct research, especially research of a technological or scientific nature.

**Administrative Costs:** Costs to administer the Research and Development Tax credits are borne by the Department of Revenue. These costs are estimated to be nominal.

(Dollar Amounts in Millions)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 15.0	\$ 15.0	\$ 15.0	\$ 15.0	\$ 15.0	\$ 15.0	\$ 15.0

**Beneficiaries:** Approximately 300 companies performing qualified research and development in Pennsylvania benefit from this tax expenditure.



# General Fund Tax Expenditures

## KEYSTONE OPPORTUNITY ZONE

**Authorization:** Act of October 6, 1998 (P.L. 702, No. 92).

**Description:** Economic activity in a defined geographic area of deteriorated property designated by the Department of Community and Economic Development to be a keystone opportunity zone is exempt from all local and certain state taxes for a maximum of twelve years beginning January 1, 1999. In addition to benefiting from a limited sales and use tax exemption, zone residents and qualified businesses are exempt from the corporate net income, capital stock / foreign franchise and personal income taxes. The tax expenditure is the value of all state taxes waived within the zone.

**Purpose:** This program provides tax relief to economically distressed urban and rural communities in an attempt to revive these areas.

**Administrative Costs:** Costs to administer the Keystone Opportunity Zone program are borne by the Department of Revenue and the Department of Community and Economic Development. Estimated costs for both departments total \$0.5 million annually.

(Dollar Amounts in Millions)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 5.0	\$ 10.0	\$ 10.0	\$ 10.0	\$ 10.0	\$ 10.0	\$ 10.0

**Beneficiaries:** Qualified businesses and residents of the 12 Keystone Opportunity Zones designated within this Commonwealth benefit from this tax expenditure.

## COAL WASTE REMOVAL AND ULTRACLEAN FUELS TAX CREDIT

**Authorization:** Act of May 12, 1999 (P.L. 26, No. 4).

**Description:** A tax credit is available for qualifying capital expenditures on facilities producing fuels from coal, culm or silt. The credit can be used against sales and use tax, corporate net income tax, capital stock / foreign franchise tax and employer withholding tax. The total cost of the credit is capped at \$18 million per year.

**Purpose:** This tax credit provides an incentive for taxpayers to develop facilities dedicated to the production of synthetic fuels within this Commonwealth while removing coal waste from the environment.

**Administrative Costs:** Costs to administer the Coal Waste Removal and Ultraclean Fuels Tax credit are borne by the Department of Revenue and are considered to be minimal.

(Dollar Amounts in Millions)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

**Beneficiaries:** A small number of corporate taxpayers are expected to benefit from this credit program.



# General Fund Tax Expenditures

## CORPORATION TAXES

**Administrative Costs:** Costs to administer various tax expenditures associated with the corporate net income tax and the capital stock / foreign franchise tax cannot be separately identified. Tax expenditures are a significant factor associated with the need for more compliance audits and increased complexity of such audits as well as legal rulings, pronouncements and bulletins. Tax expenditures also contribute significantly to the tax appeals process.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<b>Corporate Net Income Tax and Capital Stock / Foreign Franchise Tax</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 2.6	\$ 2.7	\$ 2.8	\$ 2.9	\$ 3.0	\$ 3.1	\$ 3.2
	<b>Selective Business Taxes</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

## CORPORATE NET INCOME TAX

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

The Pennsylvania corporate net income tax is imposed on domestic and foreign corporations for the privilege of doing business, carrying on activities, having capital or property employed or used, or owning property in Pennsylvania. Certain corporations are exempt from the tax.

The tax is based on federal taxable income before net operating loss deduction and special deductions (line 28 of page 1 of federal IRS form 1120) modified by additions and subtractions to arrive at Pennsylvania taxable income. Taxes based on income and certain tax items are added back to federal taxable income. The tax rate is 9.99 percent for tax years 1995 and thereafter.

Any deductions, exemptions or types of special treatment which are reflected in line 28 on the IRS form 1120 not modified or adjusted by Pennsylvania statute are not included below.

### 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>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3

**Beneficiaries:** A minimal number of public utilities benefit from this tax expenditure.





# General Fund Tax Expenditures

## NET OPERATING LOSS CARRYFORWARD

**Description:** Corporations may deduct from current taxable income the net losses from previous years to arrive at their tax liability.

Act 4 of 1999 increased the annual cap on deductions to \$2,000,000 in each of the ten years following the loss, effective January 1, 1999. Act 45 of 1998 increased the three year carryforward period to ten years for tax years 1995 and thereafter. This act provided a phase-in schedule of net loss deductions making the first ten-year carryforward available in tax year 2005. Suspended losses from 1988 through 1994 could be used variously against 1995 through 1997 tax years.

**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>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 156.7	\$ 165.5	\$ 175.0	\$ 179.1	\$ 183.2	\$ 185.3	\$ 189.8

**Beneficiaries:** Approximately 37,000 businesses per year benefit from this tax expenditure.

## TRIPLE-WEIGHTED SALES FACTOR

**Description:** Beginning in tax year 1995, corporations apportioned their net income using a three-factor formula (payroll, property and sales) that double-weights the sales factor. The sales factor in the numerator of the CNI apportionment formula was multiplied by two and the denominator was four. Act 4 of 1999 provided for the sales factor to be triple-weighted beginning in tax year 1999. The sales factor in the numerator is multiplied by three instead of two and the denominator is five.

**Purpose:** Corporations with a higher percentage of property and payroll invested in Pennsylvania (compared to their percentage of sales in Pennsylvania) will have less taxable income apportioned to the Commonwealth. Therefore, those corporations will have a reduced tax burden. This encourages business investment in Pennsylvania in the form of property and employment.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 57.0	\$ 77.2	\$ 84.5	\$ 87.4	\$ 89.8	\$ 91.5	\$ 94.0

**Beneficiaries:** Approximately 6,000 corporations operating in Pennsylvania benefit from this tax expenditure.



# General Fund Tax Expenditures

## NONPROFIT CORPORATIONS

*Description:* Nonprofit corporations are exempt from the corporate net income tax. Act 7 of 1997 provided that any nonprofit corporation or entity that is an exempt organization as defined by section 501 of Internal Revenue Code of 1986 (P.L. 99-514, 26 U.S.C.) is exempt. Corporations organized as nonprofit but not operating as a nonprofit are excluded from this exemption. Act 4 of 1999 provided that insurance and travel agency activities carried on by an auto club are subject to the corporate net income tax. The same act restored exempt status to homeowners associations and membership organizations. The estimates below are based on unrelated business income taxable by the federal government.

*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>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 14.9	\$ 16.6	\$ 18.7	\$ 21.1	\$ 23.7	\$ 26.7	\$ 30.0

*Beneficiaries:* Approximately 900 nonprofit corporations operating in Pennsylvania with unrelated business income benefit from this tax expenditure.

## 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 have paid under the corporate net income tax. Act 7 of 1997 provided conformity with the federal Small Business Job Protection Act of 1996 by allowing an increase in the number of shareholders from 35 to 75, effective January 1, 1997. Act 7 also permitted S corporations to have qualified subsidiaries. The subsidiary can be either an S or a C corporation. Act 4 of 1999 eliminated the 25 percent passive income test and waived the five year waiting period with respect to corporations whose S election was terminated for exceeding the passive income limitation.

*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>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 404.1	\$ 464.6	\$ 508.7	\$ 537.6	\$ 568.9	\$ 597.0	\$ 632.7

*Beneficiaries:* Approximately 100,000 sub-chapter 'S' corporations doing business in Pennsylvania could benefit from this tax expenditure.



# General Fund Tax Expenditures

## LIMITED LIABILITY COMPANIES (LLCs)

**Description:** LLCs are hybrid business entities that combine the corporate characteristic of limited liability for all owners (members) with the tax treatment of a partnership. LLCs that are not taxed as corporations for federal purposes are exempt from the Pennsylvania corporate net income tax. Act 45 of 1998 clarified that LLCs and business trusts classified by the Federal Government as "disregarded entities" are not subject to the Pennsylvania corporate net income tax. Owners of the LLC must include their share of corporate income for Pennsylvania personal income tax purposes. The tax expenditure is the difference between what is paid by the owners under the personal income tax and what the LLCs would have paid under the corporate net income tax.

**Purpose:** LLCs are a preferred type of business entity for start-up companies. They combine the limited liability of a corporation with the flexibility of a partnership. By taxing LLCs at the personal income tax rate, Pennsylvania is a more attractive place for these new companies.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 24.9	\$ 52.5	\$ 79.6	\$ 93.2	\$ 104.6	\$ 114.8	\$ 126.1

**Beneficiaries:** Approximately 10,900 companies doing business in Pennsylvania benefit from this tax expenditure.

## COMMERCIAL PRINTERS

**Description:** The mere usage of commercial printer services in Pennsylvania by an out-of-state entity does not create nexus for maintaining a place of business in Pennsylvania.

**Purpose:** The higher nexus standard ensures that Pennsylvania commercial printers will not lose business due to a concern of the out-of-state customer that he may be subject to Pennsylvania taxation only for such a printing contract.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

**Beneficiaries:** A minimal number of corporate taxpayers benefit from this tax expenditure.

## FICA TAX ON TIPS

**Description:** Eating and drinking establishments can claim a deduction from their Pennsylvania taxable income equal to the amount of federal FICA (Federal Insurance Contributions Act) tax on employees' tips.

**Purpose:** This deduction corrects for a change in federal law. In 1993, a credit was created in the Internal Revenue Code. Taxpayers taking the credit may not also take a deduction for the amount of FICA tax on employees' tips. Pennsylvania does not permit the credit and instead allows this additional deduction from federal taxable income.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.7

**Beneficiaries:** Approximately 6,800 eating and drinking establishments could benefit from this tax expenditure.



## CAPITAL STOCK / FOREIGN FRANCHISE TAX

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

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

The capital stock / foreign franchise tax is based on capital stock value which is defined as one-half of the sum of the average net income capitalized at the rate of 9.5 percent plus 75 percent of the net worth, less \$125,000. Beginning with the 1999 tax year the tax rate is 10.99 mills, with 0.25 mills designated to the Hazardous Sites Cleanup Fund. The estimates in this analysis include only the 10.74 mills General Fund portion of the tax. Act 4 of 1999 decreased the minimum tax from \$300 to \$200 for tax years beginning 1999 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 are exempt from the capital stock / foreign franchise tax. Act 7 of 1997 provided that any nonprofit corporation or entity that is an exempt organization as defined by section 501 of Internal Revenue Code of 1986 (P.L. 99-514, 26 U.S.C.) is exempt. Act 4 of 1999 provided that insurance and travel agency activities carried on by an auto club are subject to the capital stock / foreign franchise tax. The same act restored exempt status to homeowners associations and membership organizations. The estimates below are based on unrelated business income taxable by the federal government.

*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>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 17.2	\$ 17.9	\$ 19.8	\$ 21.9	\$ 24.2	\$ 26.8	\$ 29.6

*Beneficiaries:* Approximately 2,100 nonprofit corporations benefit from this tax expenditure.



# General Fund Tax Expenditures

## FAMILY FARM CORPORATIONS

**Description:** Family farm corporations are exempt from the capital stock / foreign franchise tax. A family farm corporation is one 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.

Act 45 of 1998 specifically defined LLCs and business trusts to be corporations for capital stock / foreign franchise tax purposes. As a result, LLCs and business trusts are eligible for the family farm exemption, if appropriate.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 2.1	\$ 2.1	\$ 2.1	\$ 2.1	\$ 2.1	\$ 2.1	\$ 2.1

**Beneficiaries:** Approximately 425 family farm corporations operating in Pennsylvania benefit from this tax expenditure.

## ASSETS USED IN MANUFACTURING, PROCESSING, AND RESEARCH AND DEVELOPMENT

**Description:** Corporations (except those which enjoy the right of eminent domain, i.e., utilities) organized for manufacturing, processing, or research 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.

Act 63 of 1999 modified the manufacturing exemption by disallowing the exemption provided for manufacturing, processing, research or development activities from the numerator of the sales factor and expanding the exemption by excluding property and payroll attributable to manufacturing, processing, research or development activities outside of the Commonwealth from the numerator of the property and payroll factors.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 568.8	\$ 577.8	\$ 586.3	\$ 589.9	\$ 591.8	\$ 594.8	\$ 600.3

**Beneficiaries:** Approximately 8,000 corporations operating in Pennsylvania benefit from this tax expenditure.



# General Fund Tax Expenditures

## APPORTIONMENT FORMULA OPTIONS

**Description:** Corporations that have multistate operations have the option of using either a single-factor or a three-factor formula to compute the portion of the capital stock value that is subject to tax. The single-factor formula is based on the ratio of the book value of taxable assets to 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)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 44.0	\$ 40.1	\$ 42.3	\$ 43.8	\$ 45.5	\$ 47.4	\$ 48.8

**Beneficiaries:** Approximately 8,000 corporations doing business in Pennsylvania benefit from this tax expenditure.

## POLLUTION CONTROL DEVICES

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

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

(Dollar Amounts in Millions)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 35.5	\$ 36.5	\$ 38.0	\$ 38.8	\$ 39.1	\$ 39.2	\$ 39.4

**Beneficiaries:** Approximately 15 companies doing business in Pennsylvania benefit from this tax expenditure.



# General Fund Tax Expenditures

## DEDUCTION FROM THE FIXED FORMULA

*Description:* For tax years beginning in 1997 and thereafter, corporations may deduct \$125,000 from the capital stock value which is then subject to apportionment to determine the taxable base. The valuation deduction was \$100,000 for tax years 1995 and 1996.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 65.2	\$ 65.3	\$ 66.1	\$ 66.9	\$ 67.8	\$ 68.8	\$ 69.8

*Beneficiaries:* Approximately 88,000 corporations doing business in Pennsylvania benefit from this tax expenditure.

## HOLDING COMPANIES

*Description:* Holding companies may elect, in lieu of a standard apportionment formula, a special apportionment formula 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. Act 45 of 1998 clarified that limited liability companies and business trusts are eligible to receive holding company tax treatment.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 39.4	\$ 39.6	\$ 41.0	\$ 42.9	\$ 44.9	\$ 46.9	\$ 49.1

*Beneficiaries:* Approximately 300 companies doing business in Pennsylvania benefit from this tax expenditure.



# General Fund Tax Expenditures

## REGULATED INVESTMENT COMPANIES/REAL ESTATE INVESTMENT TRUSTS

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

There is a potential revenue loss from regulated investment companies and real estate investment trusts (REITS) organized as business trusts. These entities are not subject to capital stock / foreign franchise tax. No cost estimate is available; therefore, the estimates below reflect the special valuation for capital stock / foreign franchise tax for regulated investment companies only.

**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>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 46.5	\$ 43.2	\$ 41.3	\$ 43.4	\$ 46.4	\$ 47.9	\$ 49.3

**Beneficiaries:** Approximately 140 companies doing business in Pennsylvania benefit from this tax expenditure.

## COMMERCIAL PRINTERS

**Description:** The mere usage of commercial printer services in Pennsylvania by an out-of-state entity does not create nexus for maintaining a place of business in Pennsylvania.

**Purpose:** The higher nexus standard ensures that Pennsylvania commercial printers will not lose business due to a concern of the out-of-state customer that he may be subject to Pennsylvania taxation only for such a printing contract.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

**Beneficiaries:** A minimal number of corporate taxpayers benefit from this tax expenditure.





# General Fund Tax Expenditures

## LIMITED LIABILITY AND RESTRICTED PROFESSIONAL COMPANIES

**Description:** Limited Liability Companies (LLCs) and Restricted Professional Companies (RPCs) are hybrid business entities that combine the corporate characteristic of limited liability for all owners (members) with the tax treatment of a partnership. Act 124 of 1998 provided that a bank or banking organization may organize as an LLC for the sole purpose of marketing and selling title insurance. Also an insurance agency may be organized as an LLC.

RPCs are limited liability companies performing restricted professional services. Restricted professional services include chiropractic, dentistry, law, medicine and surgery, optometry, osteopathic medicine, podiatry medicine, public accounting, psychology and veterinary medicine. These types of business entities give members the protection of limited liability for the neglect of another member. RPCs are exempt from the capital stock / foreign franchise tax. However, an annual fee of \$330 per resident member is imposed under the Associations Code, \$25 of which is credited to the Corporation Bureau's restricted account.

LLCs generally are subject to the tax. For the fixed formula valuation, the net worth of an LLC is defined as an entity's assets minus its liabilities as of the close of the tax year. The average net income of an LLC classified as a partnership for federal income tax purposes is calculated by allowing a reduction in the income or loss in any given year for distributions to materially participating members. Act 45 of 1998 clarified that LLCs may utilize the single taxable asset apportionment fraction.

**Purpose:** LLCs are a preferred type of business entity for start-up companies. They combine the limited liability of a corporation with the flexibility of a partnership. By taxing LLCs at the personal income tax rate, Pennsylvania is a more attractive place for these new companies.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

**Beneficiaries:** Approximately 10,900 companies doing business in Pennsylvania benefit from this tax expenditure.

## EXEMPTION FOR STUDENT LOAN ASSETS

**Description:** Act 45 of 1998 provided that student loan related assets owned or held by a trust or other entity formed for the securitization of student loans are exempt from capital stock / foreign franchise tax. This provision is effective for tax years beginning on or after January 1, 1998.

**Purpose:** This program exempts student loan related assets held by loan securitization trusts from the capital stock / foreign franchise tax to conform with the Commonwealth public policy in promoting higher education.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

**Beneficiaries:** A minimal number of business trusts and other entities formed for the securitization of student loan assets are the beneficiaries of this tax expenditure.



## UTILITY GROSS RECEIPTS TAX

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

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

A tax is levied at 50 mills on gross receipts from passengers, baggage, freight and oil transported within the state; telephone and telegraph messages transmitted within the state; and at 44 mills on sales of electric energy. The 44 mill tax rate on sales of electric energy is subject to change based on the revenue neutral reconciliation (RNR) tax rate calculated annually pursuant to Act 138 of 1996, which governs the restructuring of the electric utility industry in Pennsylvania. The sale of natural gas was subject to the gross receipts tax before Act 4 of 1999 repealed these provisions, effective January 1, 2000.

### MUNICIPALLY-OWNED PUBLIC UTILITIES

---

*Description:* Gross receipts of public utilities owned or operated by a municipality are exempt from tax to the extent the gross receipts are derived from business done inside the limits of the municipality.

*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>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 27.0	\$ 6.1	\$ 4.1	\$ 4.3	\$ 4.2	\$ 4.3	\$ 4.4

*Beneficiaries:* The 33 municipally-owned utilities operating in the Commonwealth benefit from this tax expenditure.

### NUCLEAR GENERATING FACILITY DAMAGE

---

*Description:* Gross receipts derived from the sale of electricity by an electric light company which are attributable to the recovery of purchased energy costs, clean-up costs, and investment write-off costs due to damage to a nuclear generating facility are exempt from tax.

*Purpose:* This tax relief alleviates the financial hardship faced by the public utility as a result of damage caused by an accident or natural disaster. It also benefits consumers to the extent the tax relief is reflected in lower utility rates.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* 35 electric suppliers could potentially benefit from this tax expenditure.



# General Fund Tax Expenditures

## ELECTRIC COOPERATIVES

*Description:* Gross receipts of electric cooperatives are exempt from the tax.

*Purpose:* These cooperatives are nonprofit corporations organized to engage in rural electrification and are perceived to provide public benefit. This exemption permits this service to be rendered at a reduced cost to the rate payers.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 8.1	\$ 9.5	\$ 10.3	\$ 10.8	\$ 10.6	\$ 10.8	\$ 11.2

*Beneficiaries:* The 13 cooperatives in the Commonwealth benefit from this tax expenditure.

## UTILITY REALTY TAX

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

The public utility realty tax (PURTA) is imposed on public utilities furnishing services under the jurisdiction of the Pennsylvania Public Utility Commission or a regulatory body of another state or the United States.

Act 4 of 1999 fundamentally overhauled PURTA for tax year 1998 and thereafter. The tax rate is annually calculated by the Department of Revenue in order to raise an amount of tax revenue equal to the realty tax equivalent (with an additional 7.6 mills for the Public Transportation Assistance Fund). Beginning with PURTA tax year 1998, utilities are taxed on the basis of the property's fair market value, which is the local assessed value adjusted by the common level ratio. After December 31, 1999, assets used in the generation of electricity are excluded from the PURTA tax base and the realty tax equivalent. The estimates in this portion of the analysis include only the variable tax. The 7.6 mill portion of the tax is shown under the Public Transportation Assistance Fund. 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 provision prevents the double taxation of such property.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 3.8	\$ 2.1	\$ 2.2	\$ 2.3	\$ 2.4	\$ 2.6	\$ 2.7

*Beneficiaries:* The 463 public utilities could benefit from this tax expenditure.

# 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>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 3.3	\$ 1.9	\$ 2.0	\$ 2.1	\$ 2.2	\$ 2.3	\$ 2.4

*Beneficiaries:* The 463 public utilities could benefit from this tax expenditure.

## 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>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 7.8	\$ 4.4	\$ 4.5	\$ 4.8	\$ 5.0	\$ 5.3	\$ 5.5

*Beneficiaries:* The 58 railroad public utilities could benefit from this tax expenditure.

## SEWAGE SERVICES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 6.8	\$ 3.9	\$ 4.0	\$ 4.2	\$ 4.4	\$ 4.6	\$ 4.9

*Beneficiaries:* The 93 public utilities that provide sewage services benefit from this tax expenditure.



# General Fund Tax Expenditures

## MUNICIPALITIES

*Description:* Municipalities or municipal authorities furnishing electric, natural gas, telephone or water public utility services are exempt from tax.

*Purpose:* The realty used for municipally-furnished utility services is public property used for public purposes. Moreover, taxing such property would result in the municipal government funding the realty tax equivalent distributed to local taxing authorities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 4.2	\$ 2.4	\$ 2.5	\$ 2.6	\$ 2.7	\$ 2.9	\$ 3.0

*Beneficiaries:* The 539 municipal authorities and the 33 municipal public utilities benefit from this tax expenditure.

## ELECTRIC GENERATION FACILITIES

*Description:* After December 31, 1999, land and improvements indispensable to the generation of electricity become subject to local real estate tax and are excluded from the PURTA tax base and the realty tax equivalent.

*Purpose:* Electric generation facilities are removed from the PURTA tax base when electric generation is no longer regulated as a public utility function. The electric competition statute changed the definition of public utility, and generation facilities can be owned by unregulated entities. This exemption allows a level playing field for participants in electricity supply.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	\$ 16.7	\$ 17.2	\$ 18.1	\$ 19.0	\$ 19.9	\$ 20.9

*Beneficiaries:* The 23 electric utilities owning generating assets in Pennsylvania benefit from this tax expenditure.



## INSURANCE PREMIUMS TAX

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

The insurance premiums tax is imposed on domestic and foreign insurance companies that transact business in Pennsylvania. Certain types of insurance companies are exempt from the tax.

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

The basic tax rate is 2 percent of gross premiums plus any retaliatory tax. A 3 percent rate is imposed on insurance premiums for policies written with unlicensed insurers by a surplus lines agent. Marine insurance companies are subject to a 5 percent tax on their underwriting profits in lieu of the insurance premiums tax.

The estimates in this analysis include the full amount of revenues and the retaliatory charges that would be received from affected insurance companies.

## MUTUAL BENEFICIAL ASSOCIATIONS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 7.3	\$ 7.2	\$ 7.8	\$ 8.2	\$ 8.4	\$ 8.8	\$ 9.2

*Beneficiaries:* The 76 mutual beneficial associations doing business in Pennsylvania benefit from this tax expenditure.

## NONPROFIT HOSPITAL AND MEDICAL CARE SERVICE ORGANIZATIONS

*Description:* Companies organized under the Nonprofit Hospital Plan Act (Act of June 21, 1937, P.L. 1948, No. 378) and the Nonprofit Medical, Osteopathic, Dental and Podiatry Service Corporation Act (Act of June 27, 1939, P.L. 1125, No. 399) are exempt from the insurance premiums tax. Those exempt include, for example, Capital Blue Cross, Hospital Service Association of Northeastern Pennsylvania, Good Vision Plan, Inc., Medical Service Association of Pennsylvania (Blue Shield), Pennsylvania Dental Service Corp., and Vision Service Plan of Pennsylvania.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 157.8	\$ 179.1	\$ 196.2	\$ 209.6	\$ 223.4	\$ 236.0	\$ 249.4

*Beneficiaries:* The 17 nonprofit hospital and medical care service organizations doing business in Pennsylvania benefit from this tax expenditure.



# General Fund Tax Expenditures

## EXTRAORDINARY MEDICAL BENEFIT

**Description:** An exemption is allowed for premiums collected by automobile insurance companies for optional extraordinary medical benefit coverage from \$100,000 to \$1,100,000. This exemption applies only to premiums collected in association with policies written after June 1, 1989.

**Purpose:** This exemption benefits private insurance companies that are required to provide the extraordinary medical coverage as a result of the repeal of Pennsylvania's Catastrophic Loss Trust Fund. This exemption also indirectly benefits subscribers to the extent that it is reflected in reduced premiums.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.3	\$ 0.3	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.5

**Beneficiaries:** The 462 automobile insurance companies doing business in Pennsylvania may benefit from this tax expenditure.

## LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION CREDIT

**Description:** A tax credit is available to companies that are members of the Life and Health Insurance Guaranty Association. These companies may offset a proportionate part of assessment payments made to the association against the insurance premiums tax. The credit is for the portion of the assessment that is unrecoverable through premiums and must be taken over five years.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 32.5	\$ 31.3	\$ 20.3	\$ 7.8	\$ 11.1	\$ 14.4	\$ 13.5

**Beneficiaries:** The 573 life, accident and health insurance companies doing business in Pennsylvania may benefit from this tax expenditure.

## BANK AND TRUST COMPANY SHARES TAX

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

The bank and trust company shares tax is imposed on every bank and trust company having capital stock and doing business in Pennsylvania.

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

The bank and trust company shares tax contains no expenditures as defined for this tax expenditure analysis.



## MUTUAL THRIFT INSTITUTIONS TAX

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

The mutual thrift institutions tax is imposed on the net income of savings institutions, savings banks without capital stock, savings and loan associations, and building and loan associations conducting business in Pennsylvania.

The tax is based on net income determined in accordance with generally accepted accounting 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 current tax rate is 11.5 percent.

### NET OPERATING LOSS CARRYFORWARD

---

*Description:* Thrift institutions may deduct from current taxable income the net losses from previous taxable years. A net loss for a taxable year may be carried over three years and must be carried to the earliest allowable tax year. There is no carryback of losses to prior years.

*Purpose:* This deduction reduces the tax burden for a period of time after an operating loss period thereby aiding the thrift institution after it has attained economic health as measured by its taxable income.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 2.5	\$ 2.7	\$ 2.7	\$ 2.8	\$ 2.9	\$ 3.1	\$ 3.2

*Beneficiaries:* The 223 mutual thrift companies could benefit from this tax expenditure.

### CREDIT UNIONS

---

*Description:* Credit unions are exempt from taxation. The tax expenditure is determined by applying the appropriate mutual thrift institutions tax rate to their net earnings.

*Purpose:* Credit unions are cooperative associations incorporated to promote thrift and to provide a source of credit for their members. This program provides tax relief to credit unions as well as their members to the extent that it is reflected in higher rates earned on savings and lower rates charged for loans.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 13.1	\$ 14.2	\$ 15.5	\$ 16.9	\$ 18.4	\$ 20.0	\$ 21.8

*Beneficiaries:* The 825 state and federal credit unions operating in Pennsylvania benefit from this tax expenditure.





# General Fund Tax Expenditures

## SALES AND USE TAX

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

**Administrative Costs:** Costs incurred to administer the multiple tax expenditures associated with the sales and use tax can not be separately identified. Tax expenditures are a significant factor associated with the need for more and the increased complexity of compliance audits. These audits contribute significantly to the volume of appeals processed by the Department of Revenue.

(Dollar Amounts in Millions)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 10.8	\$ 11.0	\$ 11.2	\$ 11.3	\$ 11.5	\$ 11.7	\$ 11.8

**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, convenience store or vending machine 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)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$1,032.9	\$1,070.9	\$1,098.1	\$1,134.2	\$1,178.3	\$1,213.5	\$1,247.2

**Beneficiaries:** Virtually all 4.7 million households benefit from this tax expenditure.



# General Fund Tax Expenditures

## CANDY AND GUM

*Description:* The sale at retail or use of candy and gum, regardless of where sold, is exempt from taxation.

*Purpose:* Candy and gum are considered to be food. Exempting candy and gum regardless of where sold provides for uniformity in the taxation of these items.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 38.9	\$ 40.4	\$ 41.4	\$ 42.8	\$ 44.4	\$ 45.8	\$ 47.0

*Beneficiaries:* NA

## PERSONAL HYGIENE PRODUCTS

*Description:* The purchase at retail or use of disposable diapers, incontinence products, toilet paper, feminine hygiene products, 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)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 39.3	\$ 41.5	\$ 42.9	\$ 44.6	\$ 46.5	\$ 48.4	\$ 50.3

*Beneficiaries:* Virtually all 4.7 million households benefit from this tax expenditure.

## NEWSPAPERS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 26.1	\$ 27.0	\$ 27.8	\$ 28.7	\$ 29.6	\$ 30.6	\$ 31.6

*Beneficiaries:* NA



# General Fund Tax Expenditures

## MAGAZINES

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

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

(Dollar Amounts in Millions)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 12.6	\$ 13.1	\$ 13.8	\$ 14.4	\$ 15.0	\$ 15.7	\$ 16.4

**Beneficiaries:** Approximately 3.2 million households benefit from this tax expenditure.

## CLOTHING AND FOOTWEAR

**Description:** The purchase at retail or use of wearing apparel, footwear and other articles of clothing worn on the human body is exempt from taxation. 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)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 860.3	\$ 915.3	\$ 955.1	\$ 993.9	\$1,028.0	\$1,063.2	\$1,103.9

**Beneficiaries:** Virtually all 4.7 million households benefit from this tax expenditure.

## 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 kiddy rides.

**Purpose:** These expenditures are considered to be payments for nontaxable services.

(Dollar Amounts in Millions)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 20.5	\$ 21.3	\$ 22.1	\$ 23.0	\$ 23.9	\$ 24.8	\$ 25.8

**Beneficiaries:** Approximately 1.8 million persons may benefit from this tax expenditure.

# General Fund Tax Expenditures

## PRESCRIPTION DRUGS AND ORTHOPEDIC EQUIPMENT

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 273.9	\$ 288.7	\$ 306.1	\$ 325.1	\$ 344.4	\$ 364.5	\$ 386.8

*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>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 94.2	\$ 99.3	\$ 105.2	\$ 111.8	\$ 118.4	\$ 125.4	\$ 133.0

*Beneficiaries:* Virtually all 4.7 million households benefit from this tax expenditure.

## LIQUOR OR MALT BEVERAGE PURCHASED FROM RETAIL DISPENSER

*Description:* Alcoholic beverages purchased in a drinking place or bar are exempt from taxation. Purchases from a state liquor store or a beer distributor are taxed, despite the wholesale nature of a portion of these sales. The estimates represent the difference in the tax that would be collected at the retail level and the tax presently collected on the bulk sale.

*Purpose:* Taxing container sales rather than per drink sales reduces overall administrative and reporting burdens for vendors and audit efforts by the Department of Revenue.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 139.8	\$ 145.5	\$ 149.6	\$ 155.0	\$ 161.5	\$ 166.7	\$ 171.9

*Beneficiaries:* Approximately 6.0 million people benefit from this tax expenditure.



# General Fund Tax Expenditures

## 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>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 9.0	\$ 9.4	\$ 10.0	\$ 10.5	\$ 11.1	\$ 11.8	\$ 12.5

*Beneficiaries:* Approximately 213,200 non-residential establishments and an unknown number of households may 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>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* Approximately 72,500 retailers 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>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 23.5	\$ 25.0	\$ 26.4	\$ 27.7	\$ 28.9	\$ 30.2	\$ 31.5

*Beneficiaries:* Approximately 116,500 households benefit from this tax expenditure annually.



# General Fund Tax Expenditures

## FLAGS

*Description:* The purchase or use of Pennsylvania and United States flags is exempt from taxation.

*Purpose:* The exemption of flags may be based on the perception that governmental support of national and state symbols is a worthy public policy objective.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 1.2	\$ 1.2	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.4	\$ 1.4

*Beneficiaries:* Approximately 2.3 million households and numerous businesses and organizations benefit from this tax expenditure.

## TEXTBOOKS

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

*Purpose:* The education of the Commonwealth's 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>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 20.3	\$ 21.2	\$ 22.2	\$ 23.3	\$ 24.4	\$ 25.5	\$ 26.7

*Beneficiaries:* Approximately 580,000 college students, 501 public school districts and 2,500 private schools benefit from this tax expenditure.

## CATALOGS AND DIRECT MAIL ADVERTISING

*Description:* The purchase or use of a mail order catalog or direct mail advertising literature and materials is exempt from taxation. Effective July 1, 1998, this exemption was extended to the purchase or use of electoral literature or material and certain mailing lists.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 51.2	\$ 54.4	\$ 57.9	\$ 61.5	\$ 65.4	\$ 69.5	\$ 73.9

*Beneficiaries:* NA



# General Fund Tax Expenditures

## FOOD STAMP PURCHASES

*Description:* The purchase at retail or use of tangible personal property in accordance with the federal Food Stamp Act of 1977 is exempt from taxation. Primarily, exempt items are soft drinks, certain drink mixes, vegetable and fruit seeds and plants, and certain prepared cold foods.

*Purpose:* This provision is mandated by federal law for continued state participation in the federally funded food stamp program.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 2.4	\$ 2.1	\$ 2.0	\$ 1.9	\$ 1.8	\$ 1.7	\$ 1.6

*Beneficiaries:* Approximately 295,000 households benefit from this tax expenditure.

## GRATUITIES

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 37.2	\$ 38.5	\$ 39.8	\$ 41.1	\$ 42.5	\$ 44.0	\$ 45.5

*Beneficiaries:* Approximately 3.9 million households and an unknown number of businesses benefit from this tax expenditure.

## FUELS AND UTILITIES

### COAL

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

*Purpose:* This exemption provides special tax treatment of coal versus alternative energy forms. Other major energy sources are exempt only when used directly by the purchaser for 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>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 121.6	\$ 116.8	\$ 112.2	\$ 107.8	\$ 103.5	\$ 99.4	\$ 95.5

*Beneficiaries:* Approximately 220,000 households and 12,200 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 provides consistency among all major energy sources.

(Dollar Amounts in Millions)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3

**Beneficiaries:** Approximately 700,000 households, which use firewood as their primary heat source, benefit from this tax expenditure. Also, there are over 1.6 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, steam, natural, manufactured and bottled gas and fuel oil, basic local telecommunications service when purchased directly by the user solely for his residential use and charges for coin-operated telephone calls. Court decisions have expanded the electricity exemption to include purchases for residential use, through an agent, where there is no commercial interest.

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

(Dollar Amounts in Millions)

<b>Estimates:</b>	<b>Electric:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
		\$ 255.8	\$ 258.9	\$ 265.2	\$ 272.0	\$ 278.6	\$ 286.9	\$ 296.4
	<b>Fuel Oil/Gas:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
		\$ 166.8	\$ 168.7	\$ 170.6	\$ 172.6	\$ 174.6	\$ 176.6	\$ 178.7
	<b>Telephone:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
		\$ 122.5	\$ 128.5	\$ 133.0	\$ 138.1	\$ 141.9	\$ 147.1	\$ 153.0

**Beneficiaries:** Approximately 4.2 million households (electricity), 3.7 million households (fuel oil/gas) and 4.5 million households (telephone) benefit from this tax expenditure.





# General Fund Tax Expenditures

## 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>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 133.1	\$ 142.8	\$ 149.7	\$ 155.9	\$ 163.2	\$ 172.0	\$ 181.4

*Beneficiaries:* Approximately 3.3 million households and about 287,000 businesses benefit from this tax expenditure.

## GASOLINE AND MOTOR FUELS

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

*Purpose:* Because these items are already subject to fuels taxes, the legislature has provided for their exemption from the sales and use tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 454.0	\$ 467.3	\$ 467.8	\$ 469.4	\$ 471.0	\$ 472.7	\$ 474.3

*Beneficiaries:* Approximately 4.2 million households and owners of more than 1.4 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. Also, because of the provisions of the Federal Aviation Act, effective January 1, 1995, contract carriers are considered to be common carriers. Household goods carriers and private carriers remain taxable.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 238.2	\$ 248.1	\$ 258.4	\$ 269.1	\$ 280.3	\$ 291.9	\$ 304.0

*Beneficiaries:* Approximately 4,900 common carriers could benefit from this tax expenditure.

# General Fund Tax Expenditures

## 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:* This exclusion places Pennsylvania shipbuilders at a competitively neutral position relative to shipbuilders in those states allowing this exemption.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 1.6	\$ 1.6	\$ 1.6	\$ 1.6	\$ 1.7	\$ 1.7	\$ 1.7

*Beneficiaries:* NA

## 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>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 2.4	\$ 2.6	\$ 2.8	\$ 2.9	\$ 3.1	\$ 3.3	\$ 3.5

*Beneficiaries:* As many as 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>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* NA



# General Fund Tax Expenditures

## MOTOR VEHICLES (Out-of-State Purchasers)

**Description:** The purchase or use of a motor vehicle by a non-resident, to be used outside Pennsylvania, which is registered in another state within twenty days of delivery is exempt from taxation. Delivery must be taken outside of Pennsylvania.

**Purpose:** The exemption protects the participation of Pennsylvania car dealers in the out-of-state market while preventing potential abuses of such an exemption by Pennsylvania residents.

(Dollar Amounts in Millions)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

**Beneficiaries:** NA

## 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)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 18.4	\$ 19.0	\$ 19.7	\$ 20.4	\$ 21.1	\$ 21.9	\$ 22.6

**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 vehicles 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)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	--	--	--	--	--

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



# General Fund Tax Expenditures

## 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>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 720.9	\$ 742.3	\$ 750.5	\$ 759.3	\$ 774.3	\$ 779.4	\$ 784.2

*Beneficiaries:* Approximately 1.6 million households and owners of 82,000 non-residential buildings benefit from this tax expenditure.

## 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 or building maintenance and cleaning 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>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 756.5	\$ 812.4	\$ 830.9	\$ 871.2	\$ 908.8	\$ 926.9	\$ 937.3

*Beneficiaries:* Approximately 18,000 manufacturers and an unknown number of processors and remanufacturers benefit from this tax expenditure.



# General Fund Tax Expenditures

## 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. Under Act 45 of 1998, farming includes the propagation and raising of horses to be used exclusively for commercial racing activities. 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 or building maintenance and cleaning services.

**Purpose:** Exemption of agricultural equipment and supplies prevents the multiple taxation which could occur in the production of an agricultural commodity for sale and consumption. Were these items not exempt, this additional cost would be passed through to the ultimate consumer.

(Dollar Amounts in Millions)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 139.7	\$ 146.5	\$ 153.6	\$ 161.0	\$ 168.8	\$ 176.9	\$ 185.5

**Beneficiaries:** Approximately 45,000 farm operators benefit from this tax expenditure.

## MANUFACTURING EXEMPTION (Public Utility)

**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 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 or building maintenance and cleaning services.

**Purpose:** Exemption of equipment and supplies used in producing and delivering a public utility service prevents the multiple taxation 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)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

**Beneficiaries:** Approximately 5,700 public utilities benefit from this tax expenditure.



# General Fund Tax Expenditures

## MANUFACTURING EXEMPTION (Foundations for Machinery and Equipment)

*Description:* Foundations for machinery and equipment used directly in manufacturing, farming, dairying, agriculture, horticulture, floriculture, aquaculture, processing or producing and delivering or rendering a public utility service are exempt from taxation. Included, for a public utility, are sand, gravel, crushed rock, concrete or similar material used as bedding or surrounding pipe used directly to render sewer or water service.

*Purpose:* Exemption of foundations for manufacturing equipment prevents the multiple taxation 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>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.4

*Beneficiaries:* Approximately 80,000 entities benefit from this tax expenditure.

## COMMERCIAL MOTION PICTURES

*Description:* Tangible personal property used directly in the production of a feature-length commercial motion picture distributed to a national audience is exempt from taxation. This exemption does not apply to nonoperational activities or materials.

*Purpose:* Exemption of property used directly in producing a commercial motion picture provides an incentive for business to operate in Pennsylvania.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.9	\$ 0.9

*Beneficiaries:* Approximately 14 film companies annually benefit from this tax expenditure.

## 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>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.3	\$ 0.3

*Beneficiaries:* As many as 1,400 vending machine operators may benefit from this tax expenditure.



# General Fund Tax Expenditures

## HOTEL-PERMANENT RESIDENT

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4

*Beneficiaries:* Approximately 3,400 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 full payment due the department, is postmarked on or before the due date. Nearly all tax returns are due 20 days after the end of a collection period.

*Purpose:* This provision is intended to defray the vendor's cost of collecting and remitting the sales and use tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 51.5	\$ 58.3	\$ 60.5	\$ 62.9	\$ 65.4	\$ 67.8	\$ 70.3

*Beneficiaries:* Approximately 240,000 vendors benefit from this tax expenditure.

## OUT-OF-STATE CREDIT

*Description:* A credit is allowed for the purchase of personal property or taxable services for use outside Pennsylvania equal to the sales tax paid in the applicable state. The state must grant substantially similar tax relief as provided by Pennsylvania.

*Purpose:* Allowing a credit for tax paid in another state prevents double taxation.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* NA



# General Fund Tax Expenditures

## TRADE-IN VALUE

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

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

(Dollar Amounts in Millions)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 254.7	\$ 272.7	\$ 285.5	\$ 300.0	\$ 313.6	\$ 323.3	\$ 332.5

**Beneficiaries:** Approximately 90 purchasers of aircraft, 370,000 purchasers of computers, 7,000 purchasers of boats and 961,000 purchasers of cars and trucks annually benefit from this tax expenditure.

## ISOLATED SALES

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

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

(Dollar Amounts in Millions)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 83.6	\$ 88.4	\$ 91.8	\$ 95.5	\$ 99.3	\$ 103.0	\$ 106.8

**Beneficiaries:** NA

## 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)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

**Beneficiaries:** NA





# General Fund Tax Expenditures

## HORSES

---

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 2.7	\$ 2.9	\$ 3.2	\$ 3.2	\$ 3.2	\$ 3.2	\$ 3.2

*Beneficiaries:* Approximately 1,700 Standard bred horse purchasers and an unknown number of purchasers of other types of horses benefit from this tax expenditure.

## YOUTH SPORTS PROGRAMS

---

*Description:* The purchase of food and beverages from nonprofit associations which support sports programs for participants aged 18 or younger or for persons with a physical or mental handicap regardless of age is exempt from taxation.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</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 institution of purely public charity as defined by Act 55 of 1997 is exempt from taxation. Act 45 of 1998 extended this exemption to include the purchase or use of certain machinery and equipment used in a construction contract with an exempt entity. The purchase or use may be made by a construction contractor or the exempt entity. Transactions unrelated to the trade or business of such organizations are taxable as are certain materials and supplies purchased for use in connection with real estate.

*Purpose:* These organizations provide public and charitable services 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>	<b>Charitable Organizations:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 190.5	\$ 194.9	\$ 199.8	\$ 204.7	\$ 209.4	\$ 214.5	\$ 224.9
	<b>Volunteer Fireman's Organizations:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 36.3	\$ 37.1	\$ 38.1	\$ 39.0	\$ 40.0	\$ 40.8	\$ 42.8
	<b>Nonprofit Educational Institutions:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 47.3	\$ 48.4	\$ 49.6	\$ 50.8	\$ 52.0	\$ 53.3	\$ 55.8
	<b>Religious Organizations:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 36.6	\$ 37.5	\$ 38.4	\$ 39.4	\$ 40.3	\$ 41.3	\$ 43.3

*Beneficiaries:* Currently, approximately 28,800 organizations benefit from this tax expenditure.

## EXEMPT GOVERNMENTAL UNITS

*Description:* The sale of tangible personal property or services to or for use by the federal government, the Commonwealth, or its instrumentalities or political subdivisions is exempt from taxation. Act 45 of 1998 extended this exemption to include the purchase or use of certain machinery or equipment used in a construction contract for a governmental unit. The purchase or use may be by a contractor or governmental unit. Based on the criteria adopted to define tax expenditures, federal transactions are not included in this study. Commonwealth transactions are also excluded because revenues would offset expenditures with no net effect. The estimates, therefore, represent the tax on local government expenditures and construction contractors.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 90.9	\$ 95.6	\$ 99.7	\$ 103.6	\$ 107.3	\$ 111.4	\$ 115.8

*Beneficiaries:* Approximately 3,200 local governmental units benefit from this tax expenditure.



# General Fund Tax Expenditures

## VETERANS' ORGANIZATIONS

*Description:* Act 96 of 1998 provides that the sale of tangible personal property or services to or for use by veteran organizations for benevolent, charitable or patriotic purposes is exempt from taxation. Certain machinery and equipment purchased for or used in construction contracts for veteran organizations is also exempt, whether purchased or used by a contractor or the veteran organization. Purchases of alcoholic beverages remain taxable.

*Purpose:* These organizations provide patriotic and charitable services. This exemption permits these services to be rendered at reduced cost.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.4	\$ 1.4	\$ 1.5

*Beneficiaries:* Approximately 1,500 organizations benefit from this tax expenditure.

## 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>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</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>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* NA



# General Fund Tax Expenditures

## RAIL TRANSPORTATION EQUIPMENT

*Description:* The purchase or use of rail transportation equipment 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 may be passed through to the ultimate consumer.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* NA

## FISH FEED

*Description:* The purchase or use of fish feed by sportsmen's clubs, fish cooperatives or nurseries approved by the Pennsylvania Fish Commission is exempt from taxation.

*Purpose:* The exemption provides special treatment benefiting organizations which raise fish ultimately destined for human consumption.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

*Beneficiaries:* The 183 cooperative nurseries and an unknown number of other entities benefit from this tax expenditure.

## TOURIST PROMOTION AGENCIES

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

*Purpose:* Excluding supplies and materials used by tourist promotion agencies 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>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.7	\$ 0.7	\$ 0.8	\$ 0.8	\$ 0.9	\$ 1.0	\$ 1.1

*Beneficiaries:* All 49 tourist promotion agencies benefit from this tax expenditure.

# General Fund Tax Expenditures

## TROUT

*Description:* The purchase or use of brook trout, brown trout or rainbow trout is exempt from taxation.

*Purpose:* Special treatment is conferred to those involved in the raising or sale of trout ultimately destined for human consumption.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

*Beneficiaries:* Less than 88 entities benefit from this tax expenditure.

## 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>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</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 are exempt from taxation.

*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>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 21.6	\$ 23.4	\$ 25.3	\$ 27.4	\$ 29.7	\$ 32.1	\$ 34.7

*Beneficiaries:* NA



# General Fund Tax Expenditures

## 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>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 129.0	\$ 131.5	\$ 136.7	\$ 144.1	\$ 151.3	\$ 158.1	\$ 165.3

*Beneficiaries:* Approximately 4.0 million people benefit from this tax expenditure.

## STAIR LIFT DEVICES

*Description:* The purchase or use of property or services used in installing or repairing stair lift devices is exempt from taxation when the device is installed or used in the residence of a physically disabled person requiring the device to ascend or descend stairs. The physical disability must be certified by a physician.

*Purpose:* Stair lift devices could be considered essential for people with a physical disability which prevents them from ascending or descending stairs. This exemption reduces the regressive nature of the tax and eases the tax burden on people requiring the devices.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.4

*Beneficiaries:* Approximately 445,000 disabled persons could benefit from this tax expenditure.

## BAD DEBTS

*Description:* Sales tax vendors may apply for a refund equal to one-third of bad debts associated with sales tax paid to the state for sales written off by the vendor and deducted for Federal income tax purposes because the vendor did not receive full payment from the purchaser. No refund is granted for interest, finance charges or expenses incurred in attempting to collect receivables.

*Purpose:* The bad debt refund provision lessens the economic impact experienced by vendors when they extend credit to customers for taxable purchases and subsequently incur uncollectible accounts receivable (bad debts).

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	\$ 7.6	\$ 7.5	\$ 7.7	\$ 8.3	\$ 8.7	\$ 8.9

*Beneficiaries:* Any of the 285,000 licensed vendors could benefit from this tax expenditure, if they extend credit or accept checks for payment.



# General Fund Tax Expenditures

## SERVICES

**Description:** Expenditures for services are not taxable under the sales and use tax except when specifically taxed by law.

**Purpose:** Because the primary basis for the sales and use tax is tangible personal property, the majority of services are not taxed unless they are related to taxable property. Legislation adopted in 1991 imposed the tax on charges for selected business services. Act 7 of 1997 removed computer services from the list of taxable services.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
<b>LODGING</b>							
Trailer parks and camps.....	\$ 8.9	\$ 9.4	\$ 9.9	\$ 10.5	\$ 11.1	\$ 11.7	\$ 12.4
<b>PERSONAL SERVICES</b>							
Cleaning, storage & repair of clothing & shoes <sup>(1)</sup> .....	\$ 7.9	\$ 8.4	\$ 8.9	\$ 9.4	\$ 10.0	\$ 10.6	\$ 11.3
Dry-cleaning <sup>(1)</sup> .....	17.2	17.7	18.3	18.9	19.4	20.0	20.7
Barber and beauty shops.....	48.9	52.1	55.4	58.9	62.7	66.7	71.0
Funeral parlors and crematories.....	36.4	38.8	41.4	44.2	47.2	50.4	53.8
All other personal services.....	18.8	19.8	20.8	21.9	23.0	24.2	25.5
<b>BUSINESS SERVICES</b>							
Advertising (local).....	\$ 355.8	\$ 380.8	\$ 407.6	\$ 436.3	\$ 467.1	\$ 500.0	\$ 535.3
Interior office building cleaning.....	37.1	41.3	46.0	51.2	57.1	63.5	70.7
Management, consulting & public relations.....	346.9	388.4	434.7	486.6	544.6	609.6	682.4
Research.....	108.5	125.4	145.0	167.7	193.9	224.2	259.3
Detective agencies.....	28.6	29.9	31.2	32.6	34.0	35.5	37.1
<b>COMPUTER SERVICES</b>							
Computer and data processing.....	\$ 221.0	\$ 248.2	\$ 278.6	\$ 312.9	\$ 351.3	\$ 394.5	\$ 443.0
<b>AUTOMOTIVE SERVICES</b>							
Automobile parking.....	\$ 19.2	\$ 20.9	\$ 22.6	\$ 24.6	\$ 26.7	\$ 28.9	\$ 31.4
<b>RECREATION SERVICES</b>							
Commercial sports admissions.....	\$ 66.3	\$ 74.9	\$ 84.6	\$ 95.6	\$ 108.0	\$ 122.1	\$ 137.9
Entertainers.....	16.7	18.6	20.7	23.0	25.6	28.5	31.7
Memberships.....	13.2	14.0	14.9	15.9	16.9	17.9	19.1
Other admissions.....	74.8	79.1	83.8	88.7	93.9	99.4	105.2
<b>HEALTH SERVICES</b>							
Health, except hospitals, physicians and dentists.....	\$ 400.0	\$ 424.0	\$ 449.5	\$ 476.5	\$ 505.1	\$ 535.5	\$ 567.7
Hospitals.....	849.1	896.0	949.5	1,009.3	1,069.1	1,130.9	1,200.0
Physician office services.....	462.2	478.1	494.6	511.6	529.2	547.4	566.2
Dental office services.....	142.5	151.8	161.7	172.3	183.6	195.6	208.4
<b>PROFESSIONAL SERVICES</b>							
Legal.....	\$ 409.5	\$ 438.1	\$ 468.8	\$ 501.5	\$ 536.6	\$ 574.1	\$ 614.2
Engineering.....	495.4	542.2	593.5	649.5	710.9	778.1	851.6
Surveying, architectural.....	66.2	72.2	78.8	86.0	93.8	102.4	111.7
Accounting, auditing and bookkeeping services.....	172.9	191.0	211.0	233.1	257.6	284.5	314.3
<b>MISCELLANEOUS SERVICES</b>							
Basic television <sup>(1)</sup> .....	\$ 63.2	\$ 66.1	\$ 69.7	\$ 73.6	\$ 77.2	\$ 80.5	\$ 83.9
Learned professions.....	NA	NA	NA	NA	NA	NA	NA
Electrical, plumbing, heating & air conditioning service fees.....	NA	NA	NA	NA	NA	NA	NA
Veterinary fees.....	29.0	30.4	32.0	33.9	35.6	37.1	38.6
Stockbroker fees.....	NA	NA	NA	NA	NA	NA	NA
Real estate agent fees.....	NA	NA	NA	NA	NA	NA	NA
Financial institution fees.....	402.8	420.9	444.1	469.1	491.8	513.1	534.9
Pilots fees.....	NA	NA	NA	NA	NA	NA	NA
Other.....	359.7	382.7	407.2	433.2	460.9	490.3	521.6

<sup>(1)</sup> These services are specifically exempt by statute.

**Beneficiaries:** Virtually all 4.7 million households benefit from one or more of these service tax expenditures.



# General Fund Tax Expenditures

## CIGARETTE TAX

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

The cigarette tax is an excise tax, based on a rate of 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 transferred into the Children's Health Fund; beginning January 1, 1997, an additional one thirty-firsts of cigarette receipts (total of three thirty-firsts) is transferred into the Children's Health Fund. Beginning July 1, 1993, two thirty-firsts of cigarette tax receipts is transferred into the Agricultural Conservation Easement Purchase Fund.. The analyses below reflect only the General Fund portion of the tax expenditures.

*Administrative Costs:* Costs to administer the cigarette tax expenditures are nominal.

### STATE VETERANS HOMES

---

*Description:* Sales to retail dealers located in state veterans homes for resale to residents in such homes are exempt. (Federal veterans hospitals are exempt under federal law.)

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

*Beneficiaries:* Residents in three state veterans homes benefit from this tax expenditure.

### UNSTAMPED CIGARETTES (200 AND UNDER)

---

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* NA





# General Fund Tax Expenditures

## 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>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 8.4	\$ 6.6	\$ 6.5	\$ 6.3	\$ 6.2	\$ 6.1	\$ 5.9

*Beneficiaries:* Approximately 155 cigarette stamping agents may benefit from this tax expenditure.

## MALT BEVERAGE TAX

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

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

*Administrative Costs:* Costs to administer the malt beverage tax expenditures are nominal.

## EMERGENCY TAX CREDIT

*Description:* The Emergency Tax Credit provides manufacturers of malt or brewed beverages, whose annual production of malt or brewed beverages does not exceed 300,000 barrels, a maximum annual credit of \$200,000 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). Under current law, the effective tax credit period expires after December 31, 2003. This tax credit may only be used during the emergency tax credit period.

*Purpose:* This credit grants a limited tax subsidy for capital improvements made by small brewers. This provision could help lower the risk of business failure and subsequent loss of employment opportunities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.2	\$ --

*Beneficiaries:* Approximately 17 manufacturers of malt or brewed beverages may benefit from this tax expenditure.



# General Fund Tax Expenditures

## LIQUOR TAX

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

## PERSONAL INCOME TAX

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

The personal income tax is levied against the taxable income of resident and nonresident individuals, estates and trusts, partnerships, S corporations, business trusts and limited liability companies that are not taxed as corporations for federal purposes. Pennsylvania taxes eight classes of income: (1) compensation; (2) net profits from the operation of a business, profession or farm; (3) net gains on income less net losses from dispositions of property; (4) net gains on income from rents, royalties, patents and copyrights; (5) dividends; (6) interest; (7) gambling and lottery winnings; and (8) net gains on income derived through estates or trusts.

*Administrative Costs:* Costs to administer various tax expenditures associated with the personal income tax cannot be separately identified. The existence of tax expenditures may result in taxpayer uncertainties, which creates an administrative burden on the department relative to additional compliance audits, letter rulings, pronouncements and bulletins.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 2.7	\$ 2.8	\$ 2.9	\$ 3.0	\$ 3.1	\$ 3.2	\$ 3.3

## 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>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$1,246.3	\$1,332.4	\$1,424.3	\$1,522.6	\$1,627.7	\$1,740.0	\$1,860.1

*Beneficiaries:* Approximately 1.7 million retired residents benefit from this tax expenditure.



# General Fund Tax Expenditures

## RETIREMENT CONTRIBUTIONS BY EMPLOYERS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 509.8	\$ 534.6	\$ 558.1	\$ 585.4	\$ 613.3	\$ 642.0	\$ 672.7

*Beneficiaries:* As many as 5.6 million employees benefit from this tax expenditure.

## EMPLOYEE BENEFIT PROGRAM EMPLOYER CONTRIBUTIONS

*Description:* Payments made by employers or labor unions for programs covering hospitalization, sickness, disability or death, supplemental unemployment benefits, group life insurance, and strike benefits are exempt from taxation. Effective January 1, 1998, this expenditure also includes personal use of employer provided property and services.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 580.7	\$ 609.0	\$ 635.7	\$ 666.8	\$ 698.6	\$ 731.3	\$ 766.2

*Beneficiaries:* Approximately 3.6 million employees benefit from this tax expenditure.

## CAFETERIA PLANS

*Description:* Payments made by employers, on behalf of employees, into a qualifying cafeteria plan are exempt from taxation if the program does not discriminate in favor of highly compensated individuals. This exemption parallels the limited exemption treatment of employee benefit programs covering hospitalization, sickness, disability or death, supplemental unemployment benefits, or strike benefits. Effective January 1, 1998, this expenditure also includes payments made on behalf of employees for personal use of employer provided property and services.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 20.0	\$ 21.0	\$ 21.9	\$ 22.9	\$ 24.0	\$ 25.2	\$ 26.4

*Beneficiaries:* NA



# 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>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 60.0	\$ 65.7	\$ 72.0	\$ 78.9	\$ 86.4	\$ 94.7	\$ 103.8

*Beneficiaries:* The death payment beneficiaries of approximately 154,000 life insurance policies benefit from this tax expenditure.

## SICKNESS OR DISABILITY PROCEEDS

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

*Purpose:* These payments are excluded because they do not take the place of an employee's regular wages or salary. However, sick pay in the form of regular wages or salary is taxable.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* NA

## UNEMPLOYMENT AND SUPPLEMENTAL UNEMPLOYMENT COMPENSATION

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 43.1	\$ 46.2	\$ 49.7	\$ 53.6	\$ 57.6	\$ 62.0	\$ 66.7

*Beneficiaries:* Approximately 529,000 people benefit from this tax expenditure.



# General Fund Tax Expenditures

## WORKER'S COMPENSATION

*Description:* Disability, retirement or other payments arising under workmen's compensation acts, occupational disease acts, and similar legislation are exempt from taxation.

*Purpose:* These benefits are not related to services rendered and are intended to provide income or subsistence during periods of disability when the taxpayer was injured on the job and also to pay workers' medical bills for injuries sustained on the job. These benefits more closely resemble insurance payments, which are not taxable.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 66.8	\$ 65.0	\$ 63.2	\$ 61.5	\$ 59.8	\$ 58.2	\$ 56.6

*Beneficiaries:* As many as 86,000 residents benefit from this tax expenditure.

## STRIKE BENEFITS

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* 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>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 10.6	\$ 9.5	\$ 10.1	\$ 10.2	\$ 10.2	\$ 10.2	\$ 10.3

*Beneficiaries:* Approximately 568,000 people benefit from this tax expenditure.



# General Fund Tax Expenditures

## SALE OF A PRINCIPAL RESIDENCE

**Description:** Beginning January 1, 1998, the gain from a sale of principal residence is excludable from income. Prior to January 1, 1998, this expenditure was a once in a lifetime exclusion of up to \$100,000 for those 55 and over.

**Purpose:** A principal residence is typically sold to meet the changing needs of the taxpayer and not in an effort to recognize a capital gain.

(Dollar Amounts in Millions)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 47.4	\$ 48.7	\$ 49.8	\$ 51.0	\$ 52.3	\$ 53.5	\$ 54.8

**Beneficiaries:** The owners of approximately 144,000 principal residences that are sold each year in Pennsylvania benefit from this tax expenditure.

## 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)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 49.7	\$ 49.3	\$ 48.6	\$ 48.2	\$ 47.8	\$ 47.4	\$ 47.0

**Beneficiaries:** Approximately 56,000 residents benefit from this tax expenditure.

## SCHOLARSHIPS, GRANTS, FELLOWSHIPS, AND STIPENDS

**Description:** Scholarships, grants, fellowships, and stipends awarded on the basis of need or academic achievement for the purpose of encouraging or allowing the recipient to further 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 as income.

(Dollar Amounts in Millions)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 36.6	\$ 39.7	\$ 43.0	\$ 46.6	\$ 50.5	\$ 54.7	\$ 59.3

**Beneficiaries:** The recipients of approximately 141,000 state grants and scholarships, 145,000 federal grants and scholarships, and an unknown number of private scholarships, grants, fellowships, and stipends, benefit from this tax expenditure.



# General Fund Tax Expenditures

## 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>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

**Beneficiaries:** NA

## UNREIMBURSED EXPENSES

**Description:** Unreimbursed expenditures made by employees are excludable from compensation if they are: necessary to enable the taxpayer to properly perform the duties of employment, reasonable in amount, directly related to the taxpayer's occupation, and customary in the taxpayer's occupation.

**Purpose:** This provision enhances the fairness of the tax for those employees who incur expenses for the benefit of the employer, in order to properly perform a job, or to retain a rate of compensation.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 53.2	\$ 55.7	\$ 58.3	\$ 61.1	\$ 64.0	\$ 67.0	\$ 70.2

**Beneficiaries:** Individuals filing approximately 1.2 million returns benefit from this tax expenditure.

## BUSINESS INCOME DEDUCTIONS

**Description:** Ordinary and reasonable expenses necessary to operate a business or profession may be deducted from the gross receipts of that business or profession. This expenditure does not measure the cost of sales and operations or wages and salaries deductions.

**Purpose:** Businesses and professions are taxed on "net" profits; therefore, expenses necessary to produce the income may be deducted before tax is computed.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<b>Depreciation:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 44.7	\$ 46.5	\$ 48.5	\$ 51.0	\$ 52.6	\$ 54.4	\$ 57.0
	<b>Other:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 527.1	\$ 548.8	\$ 572.4	\$ 601.9	\$ 620.6	\$ 642.2	\$ 672.7

**Beneficiaries:** Approximately 1.2 million businesses and professions benefit from this tax expenditure.



# General Fund Tax Expenditures

## FOSTER CARE

*Description:* Payments received by foster parents are explicitly excluded from the definition of compensation.

*Purpose:* This exemption provides an incentive for families to bear the burden of caring for foster children.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 2.2	\$ 2.4	\$ 2.6	\$ 2.9	\$ 3.2	\$ 3.4	\$ 3.8

*Beneficiaries:* The foster parents of approximately 19,000 children benefit from this tax expenditure.

## MEDICAL SAVINGS ACCOUNTS

*Description:* Annual contributions made to medical savings accounts via an account administrator and the interest earned on these accounts are not taxable. The account must be combined with a health insurance policy with an annual deductible of \$1,500 to \$2,500 for an individual and \$3,000 to \$4,500 for a family. Tax deductible annual contributions must not exceed 65 percent of the insurance policy's deductible for individual coverage and 75 percent for family coverage. Act 179 of 1996 established this expenditure based on a four year federal pilot program effective January 1, 1997. Participants in the program may continue to contribute after the federal pilot program's expiration date. In addition, new participants may be permitted on a limited basis.

*Purpose:* This exemption reduces the cost and could improve the quality and availability of health care to Pennsylvanians.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6

*Beneficiaries:* Individuals filing approximately 10,600 returns benefit from this tax expenditure.

## TUITION PREPAYMENT PROGRAM

*Description:* The tax expenditure is based on the difference between the amount paid into the program and the value of credits redeemed or payments from the program. The value of credits redeemed from a tuition prepayment program is exempt from taxation.

*Purpose:* This provision lessens the burden of tax on families saving for college education.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* NA





# General Fund Tax Expenditures

## EXEMPTION FOR ELECTION OFFICIALS

*Description:* Compensation and other payments received by county election officials are exempt from taxation.

*Purpose:* This exemption provides an incentive to serve as a county election official.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4

*Beneficiaries:* As many as 104,400 election officials benefit from this tax expenditure.

## PENNSYLVANIA LOTTERY WINNINGS

*Description:* Prizes of the Pennsylvania Lottery are exempt from the state personal income tax. Prior to FY 1999-00, an amount equal to total Lottery prizes paid multiplied by the current PIT rate was transferred from the Lottery Fund to the General Fund. Since the General Fund was reimbursed for the exemption of Lottery prizes, this transfer was considered a Lottery expenditure. Act 4 of 1999 eliminated the transfer, creating an actual General Fund expenditure. Since Lottery winnings can be offset by lottery and other gambling losses on a taxpayer's return, an estimate of this expenditure is no longer available.

*Purpose:* This provision provides an additional benefit to individuals winning lottery prizes.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* NA

## CREDITS

### SPECIAL POVERTY PROVISIONS (TAX FORGIVENESS)

*Description:* Special tax forgiveness provisions allow eligible claimants to reduce their tax liability depending on the amount of their eligibility income. For tax year 1999, a taxpayer with no dependents and with eligibility income of \$8,750 or less will qualify for some amount of forgiveness. A married couple with no dependents and with eligibility income of \$15,250 or less will qualify for some amount of forgiveness. The eligibility income limits increase by \$6,500 for each dependent.

*Purpose:* This provision provides tax relief for taxpayers with low incomes.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 181.2	\$ 177.3	\$ 163.3	\$ 157.2	\$ 152.5	\$ 147.0	\$ 140.1

*Beneficiaries:* Individuals filing approximately 990,000 returns benefit from this tax expenditure.



# 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 the lesser of the actual tax paid to the other state or country or the tax calculated using PA taxable income earned in the other state or country multiplied by the current PA tax rate as a credit against the personal income tax.

**Purpose:** This provision prevents the double taxation of income earned by a Pennsylvania resident in another state or country.

(Dollar Amounts in Millions)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 119.1	\$ 126.2	\$ 132.5	\$ 139.4	\$ 147.0	\$ 154.6	\$ 162.7

**Beneficiaries:** Individuals filing approximately 100,000 returns benefit from this tax expenditure.

## 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. The estimates measure the interest lost due to delayed estimated payments.

**Purpose:** This provision provides assistance to farmers by allowing more liberal estimated payment rules, enhancing the farmers' cash flow.

(Dollar Amounts in Millions)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.1	\$ 0.2	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

**Beneficiaries:** Farmers operating approximately 45,000 farms benefit from this tax expenditure.

### ESTIMATED PAYMENTS FOR SMALL AMOUNTS

**Description:** Individuals with taxable income of \$8,000 or less not subject to withholding are not required to pay estimated taxes. The threshold was changed from \$2,500 effective January 1, 2000. The 1999-00 expenditure reflects the revenue loss associated with delaying payments from FY 1999-00 to FY 2000-01.

**Purpose:** These provisions reduce paperwork for the Department of Revenue and taxpayers with small amounts of income not subject to withholding.

(Dollar Amounts in Millions)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.5	\$ 5.2	\$ 1.6	\$ 1.5	\$ 1.4	\$ 1.4	\$ 1.3

**Beneficiaries:** Approximately 1.6 million Pennsylvania residents benefit from this tax expenditure.



## REALTY TRANSFER TAX

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

The realty transfer tax is a documentary stamp tax on the value of any interest in real estate transferred by deed. The tax rate is 1 percent of the value of the real estate transferred. Each party to a document is jointly and severally liable for the tax imposed, unless the party is an excluded party or the document evidences an excludable transaction. The excluded status of a party does not relieve the other parties to a transaction from the entire tax due. The amounts below represent the General Fund portion of the realty transfer tax expenditures only and do not include expenditures for the portion transferred to the Keystone Recreation, Park and Conservation Fund pursuant to Act 50 of 1993.

**Administrative Costs:** Costs to administer the realty transfer tax expenditures are approximately \$0.3 million annually.

### TRANSFERS TO GOVERNMENTAL UNITS

---

**Description:** A transfer to the Commonwealth, the federal government, or their agencies, political subdivisions or instrumentalities by gift, dedication, condemnation or in lieu of condemnation is exempt from taxation.

**Purpose:** This exemption provides tax relief to the grantor of property to a governmental entity. Without an exemption, the grantor would be required to pay the tax. The exemption may encourage donation of property to a governmental entity.

(Dollar Amounts in Millions)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.9	\$ 1.0	\$ 1.0	\$ 1.1	\$ 1.2	\$ 1.3	\$ 1.4

**Beneficiaries:** Approximately 3,200 local governmental units could benefit from this tax expenditure.

### PARTITION OF REALTY BY CO-TENANTS

---

**Description:** A partition of realty, passed by testate or intestate succession and held by co-tenants, into two or more distinctive portions with each party taking shares equal to their undivided interest is an excluded transaction.

**Purpose:** Tax relief is given to the heirs to assist in the equitable settlement of the estate. Heirs to realty do not always want joint ownership in the realty willed to them as co-tenants. This exemption enables the parties to partition the realty into two or more distinct portions with each party taking shares equal to their undivided interest without incurring tax.

(Dollar Amounts in Millions)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

**Beneficiaries:** NA

# General Fund Tax Expenditures

## TRANSFERS AMONG FAMILY MEMBERS

*Description:* Transfers between husband and wife, parent and child or the spouse of such child, siblings and or the spouse of a sibling, and a grandparent and grandchild or the spouse of such a grandchild are exempt from taxation.

*Purpose:* This exemption reduces the tax burden on families by exempting transfers to lineal descendants.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 43.0	\$ 40.6	\$ 37.3	\$ 36.1	\$ 36.7	\$ 38.8	\$ 40.9

*Beneficiaries:* NA

## TRANSFERS TO SHAREHOLDERS OR PARTNERS

*Description:* A transfer from a corporation or association to its shareholder or member, where the grantee owns stock or holds an interest in the same proportion as his interest in the real estate being conveyed is an excluded transaction. The stock or interest must be held by the grantee for more than two years.

*Purpose:* This exemption recognizes that the grantee has an ownership interest in the realty conveyed to him in the same proportion as stock owned in the corporation or interest in the association.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.6	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.8	\$ 0.9	\$ 1.0

*Beneficiaries:* NA

## TRANSFERS TO OR FROM A NON-PROFIT INDUSTRIAL DEVELOPMENT AGENCY

*Description:* A transfer to a nonprofit industrial development agency or authority is an excluded transaction. A transfer from a nonprofit industrial development agency or authority to a grantee purchasing directly from it is an excluded transaction if (1) the grantee uses such real estate for the primary purpose of manufacturing, fabricating, compounding, processing, publishing, research and development, transportation, energy conversion, energy production, pollution control, warehousing or agriculture and (2) the authority has full ownership interest in the real estate transferred.

*Purpose:* These exemptions encourage transfers of realty to nonprofit organizations for industrial development and from nonprofit organizations for use in various activities which may contribute to economic development in the Commonwealth.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 1.7	\$ 1.8	\$ 1.9	\$ 2.0	\$ 2.2	\$ 2.4	\$ 2.6

*Beneficiaries:* NA



# General Fund Tax Expenditures

## TRANSFERS BETWEEN RELIGIOUS ORGANIZATIONS

**Description:** A transfer between religious organizations or persons holding title for a religious organization, with both parties possessing tax exempt status under the Internal Revenue Code, is an excluded transaction. The real estate cannot have been used by such transferor for commercial purposes.

**Purpose:** This exemption provides tax relief to religious organizations which are perceived to provide social benefits.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 1.3	\$ 1.3	\$ 1.4	\$ 1.5	\$ 1.6	\$ 1.8	\$ 1.9

**Beneficiaries:** Approximately 16,700 religious organizations could benefit from this tax expenditure.

## TRANSFERS TO A CONSERVANCY

**Description:** A transfer to or from 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, or agricultural value.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

**Beneficiaries:** Approximately 80 land conservancies could benefit from this tax expenditure.

## REAL ESTATE DEVOTED TO AGRICULTURE

**Description:** A transfer of real estate devoted to the business of agriculture to a family farm corporation or family farm partnership by a member of the same family is an excluded transaction. The family must own at least seventy-five percent of each class of stock in a family farm corporation. The family farm may also lease the farm land as long as it is used for farming.

**Purpose:** This exemption provides tax relief for the establishment or expansion of the family farm corporation or family farm partnership thereby recognizing the importance of the family-owned farm.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

**Beneficiaries:** Approximately 4,400 family farm corporations or partnerships could benefit from this tax expenditure.



# General Fund Tax Expenditures

## OWNERSHIP INTEREST IN REAL ESTATE COMPANY OR FAMILY FARM

*Description:* A transfer between members of the same family of an ownership interest in a real estate company, family farm corporation or family farm partnership is an excluded transaction.

*Purpose:* A transfer of ownership interest between members of the same family is not considered a change in ownership of the business. This exemption encourages the preservation of family farm corporations, family farm partnerships, and family-owned real estate businesses by allowing transfers of ownership interests between members of the same family not to count toward the corporation becoming an acquired company.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* Approximately 4,400 family farm corporations or partnerships and an unknown number of real estate companies could benefit from this tax expenditure.

## TRANSFERS OF REALTY VALUED AT \$100 OR LESS

*Description:* A transaction where the tax due is one dollar (\$1.00) or less is an excluded transaction.

*Purpose:* The administrative costs of collecting the revenue from a transfer of realty valued at \$100 or less are thought to be greater than the revenue.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

*Beneficiaries:* NA

## 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>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* Approximately 1,500 companies may benefit from this tax expenditure.



# General Fund Tax Expenditures

## PUBLIC UTILITY EASEMENTS

*Description:* A transfer of an easement to a person furnishing public utility service is an excluded transaction if the easement is used in, or useful for, furnishing public utility services.

*Purpose:* Public utility easements are numerous and the majority of them are conveyed for a small consideration. The administrative costs of collecting the revenue from an easement to a provider of public utility services are thought to be greater than the revenue.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

*Beneficiaries:* The 463 public utilities could benefit from this tax expenditure.

## STANDING TIMBER OR CROPS

*Description:* Standing timber and crops are not deemed to actually pass with the conveyance of realty when the instrument provides for severance and removal within an immediate ascertainable date.

*Purpose:* Timber and crops are personal property in this instance, the transfer of which is not subject to realty transfer tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* NA

## INHERITANCE TAX

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

*Administrative Costs:* Costs to administer the inheritance tax expenditures are approximately \$0.3 million annually.

## FAMILY RELATED EXEMPTIONS AND EXCLUSIONS

### PREFERENTIAL RATE FOR TRANSFERS TO LINEAL BENEFICIARIES

*Description:* Assets transferred to lineal beneficiaries are taxed at a 6% rate rather than the 15% rate for assets transferred to all other heirs. Lineal beneficiaries include grandparents, parents, and lineal descendants (including adopted or step children).

*Purpose:* This provision lowers the tax burden on immediate family members of the decedent.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 466.8	\$ 498.8	\$ 533.6	\$ 571.0	\$ 610.9	\$ 653.7	\$ 699.5

*Beneficiaries:* Approximately 28,000 estates benefit from this tax expenditure.



# General Fund Tax Expenditures

## TRANSFERS OF PROPERTY TO SPOUSE

*Description:* Property passing to a spouse of a decedent is exempt from inheritance tax.

*Purpose:* This provision prevents an undue tax burden on a surviving spouse especially when assets cannot be jointly owned. It allows spouses to maintain homes and other assets without inheritance tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 713.4	\$ 763.4	\$ 816.8	\$ 874.0	\$ 935.2	\$1,000.7	\$1,070.7

*Beneficiaries:* Approximately 34,000 estates benefit from this tax expenditure.

## LIFE INSURANCE PROCEEDS

*Description:* Life insurance proceeds, whether or not payable to the estate of the decedent, are exempt from inheritance tax.

*Purpose:* This provision lessens the tax burden on the insurance beneficiaries of the decedent, who are likely to be family members. A common reason for purchasing life insurance is to assist with the payment of inheritance and estate taxes.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 155.2	\$ 167.5	\$ 180.7	\$ 195.0	\$ 210.4	\$ 227.0	\$ 245.0

*Beneficiaries:* Estates of the decedents associated with approximately 154,000 life insurance policies benefit from this expenditure.

## FEDERAL WAR RISK INSURANCE AND NATIONAL SERVICE LIFE INSURANCE PROCEEDS

*Description:* Proceeds of federal war risk insurance, national service life insurance, or other similar governmental insurance are exempt from inheritance tax.

*Purpose:* This provision lessens the tax burden on beneficiaries of U.S. military personnel and dependents who receive increased insurance when stationed in an area where military conflict is possible.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* NA





# General Fund Tax Expenditures

## FAMILY EXEMPTION

*Description:* A \$3,500 family exemption from inheritance tax is permitted for the decedent's surviving spouse, children, or parents living in the decedent's household at the time of death.

*Purpose:* This provision allows a small tax-free transfer of property to immediate family members residing with the decedent. Smaller taxable estates benefit to a greater extent.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 2.1	\$ 2.1	\$ 2.1	\$ 2.1	\$ 2.1	\$ 2.1	\$ 2.1

*Beneficiaries:* Approximately 10,000 families benefit from this tax expenditure.

## PERSONAL EXCLUSIONS AND DEDUCTIONS

### EMPLOYMENT BENEFITS

*Description:* Employment benefits that the decedent did not have the right to possess, enjoy, assign or anticipate before death are exempt from inheritance tax. Exempt benefits include pensions, stock-bonuses, profit-sharing plans, Keoghs, Individual Retirement Accounts and other retirement plans. If the decedent did have the right to possess, enjoy, assign or anticipate the benefits, they are exempt from Pennsylvania inheritance tax only to the same extent they are exempt from the federal estate tax.

*Purpose:* This provision limits inheritance tax on employment benefits to which the decedent did not have full rights. An individual is presumed to have full rights to these employment benefits after age 59½ -- 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>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 15.1	\$ 15.8	\$ 16.5	\$ 17.3	\$ 18.0	\$ 18.9	\$ 19.7

*Beneficiaries:* Approximately 79,000 survivors benefit from this tax expenditure. This estimate does not account for the fact that survivors may be eligible for more than one benefit plan.

### 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>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 69.2	\$ 74.1	\$ 79.2	\$ 84.8	\$ 90.7	\$ 97.1	\$ 103.9

*Beneficiaries:* Approximately 47,000 estates benefit from this tax expenditure.

# General Fund Tax Expenditures

## 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>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 32.7	\$ 34.9	\$ 37.4	\$ 40.0	\$ 42.8	\$ 45.8	\$ 49.0

*Beneficiaries:* Approximately 30,000 estates benefit from this tax expenditure.

## SOCIAL SECURITY DEATH PAYMENTS

*Description:* The lump-sum social security death benefit is exempt from inheritance tax.

*Purpose:* This provision helps limit the impact of the tax on poorer beneficiaries. The social security death benefit could comprise the majority of assets for many small taxable estates.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0

*Beneficiaries:* Approximately 47,000 estates benefit from this tax expenditure.

## RAILROAD RETIREMENT BURIAL BENEFITS

*Description:* The lump-sum railroad retirement burial benefit is exempt from inheritance tax.

*Purpose:* This provision helps limit the impact of the tax on poorer beneficiaries. The railroad retirement burial benefit could comprise the majority of assets for many small taxable estates.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

*Beneficiaries:* NA



# General Fund Tax Expenditures

## ADVANCEMENTS

**Description:** Transfers made as an advancement of or on account of an intestate share or in satisfaction or partial satisfaction of a gift by will are exempt unless the gift was made within a year of death and gifts to the transferee exceeded \$3,000 during that calendar year.

**Purpose:** Gifts, as long as they are not made within one year of the date of death, are exempt from inheritance tax. This provision provides that these advancements be treated as gifts that are not intended to avoid the tax.

(Dollar Amounts in Millions)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

**Beneficiaries:** Approximately 56,000 estates might benefit from this tax expenditure.

## PROPERTY SUBJECT TO POWER OF APPOINTMENT

**Description:** Property left to a trust by the decedent (grantor) subject to a power of appointment (by a grantee), whether or not exercised and notwithstanding any blending of such property with property of the grantee, is exempt from inheritance tax in the estate of the grantee.

**Purpose:** Pennsylvania taxes the transfer of these assets subject to a power of appointment at the time the interest is created (when the grantor dies). The grantee may have a life interest in the estate with any remainder passing to some other person. This provision prevents taxation when the property is subsequently distributed upon the death of the grantee, having already been taxed in the estate of the grantor.

(Dollar Amounts in Millions)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

**Beneficiaries:** NA

## 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)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

**Beneficiaries:** NA

## **BUSINESS RELATED EXCLUSIONS AND DEDUCTIONS**

### **PREFERENTIAL VALUATION OF FARMLAND**

---

*Description:* Farmland which was devoted to agricultural use for the three years preceding the death of the decedent and is not less than ten contiguous acres or has an anticipated yearly gross income derived from agricultural use of \$2,000 or more, is valued based on its current use rather than its highest use.

*Purpose:* This provision helps to maintain family farms since land currently devoted to agricultural use is often more valuable if developed.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* 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>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* NA

## **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>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.1	\$ 0.1	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

*Beneficiaries:* Approximately 3,200 local governmental units could benefit from this tax expenditure.



# General Fund Tax Expenditures

## 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>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 64.6	\$ 69.1	\$ 73.9	\$ 79.1	\$ 84.6	\$ 90.6	\$ 96.9

*Beneficiaries:* The 30,300 charitable and fraternal organizations might benefit from this tax expenditure.

# Motor License Fund Tax Expenditures

## LIQUID FUELS AND FUELS TAX

**Authorization:** Chapter 90 of Title 75 of the Pennsylvania Consolidated Statutes. The tax is a permanent trust fund tax of 12 cents per gallon imposed on all liquid fuels and fuels used or sold and delivered by distributors in the Commonwealth beginning October 1, 1997. Prior to this date, liquid fuels were taxed under the provisions of the Act of May 21, 1931 (P.L. 149), as amended, known as the Liquid Fuels Tax Act and fuels were taxed under the Act of January 14, 1952 (P.L. 1965 No. 550), as amended, known as the Fuels Use Tax Act. Both of these acts were repealed effective October 1, 1997. Aviation gasoline and jet fuel are also taxed under the liquid fuels and fuels tax. However, separate tax rates are set for these fuels. Effective January 1, 2000 the tax rate for aviation gasoline is 3.7 cents per gallon and the tax rate for jet fuels is 1.9 cents per gallon.

## OIL COMPANY FRANCHISE TAX

**Authorization:** Chapter 95 of Title 75 of the Pennsylvania Consolidated Statutes. Beginning October 1, 1997, the tax is imposed on all taxable liquid fuels and fuels on a cents-per gallon equivalent basis. The tax rate is calculated annually by the Department of Revenue. The tax rate for calendar year 2000 is 13.9 cents per gallon for liquid fuels and 18.8 cents per gallon for fuels. Receipts from 57 mills of the tax are deposited as unrestricted Motor License Fund revenue. Prior to October 1, 1997, the tax was an excise tax of 153.5 mills per gallon imposed on all oil companies conducting business in Pennsylvania 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.

## ALTERNATIVE FUELS TAX

**Authorization:** Chapter 90 of Title 75 of the Pennsylvania Consolidated Statutes. Beginning October 1, 1997, the tax is imposed on alternative fuels used to propel vehicles on public highways. Alternative fuels include natural gas, compressed natural gas, liquid propane gas and liquefied petroleum gas, alcohols, gasoline-alcohol mixtures containing at least 85% alcohol by volume, hydrogen, hythane, electricity, and any other fuel not taxable as liquid fuels or fuels. The tax rate applied to each gasoline gallon equivalent of alternative fuel equals the current liquid fuels tax and oil company franchise tax applicable to one gallon of gasoline.

**Administrative Costs:** Costs to administer the multiple tax expenditures associated with the liquid fuels and fuels, oil company franchise and alternative fuels taxes can not be separately identified. Tax expenditures are a significant factor associated with the need for more compliance audits and the increased complexity of such audits.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.1	\$ 1.1	\$ 1.2	\$ 1.3



# Motor License Fund Tax Expenditures

## POLITICAL SUBDIVISIONS

*Description:* Fuels purchased by political subdivisions of the Commonwealth are exempt from the tax.

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

(Dollar Amounts in Millions)

*Estimates:*

<b>Liquid Fuels:</b>							
<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	
\$ 5.9	\$ 6.2	\$ 6.2	\$ 6.2	\$ 6.2	\$ 6.2	\$ 6.2	
<b>Jet Fuel &amp; Aviation Gasoline:</b>							
<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	
Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	
<b>Fuels:</b>							
<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	
\$ 2.4	\$ 2.4	\$ 2.4	\$ 2.4	\$ 2.4	\$ 2.4	\$ 2.5	
<b>Oil Company Franchise:</b>							
<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	
\$ 10.6	\$ 10.4	\$ 10.4	\$ 10.5	\$ 10.5	\$ 10.6	\$ 10.6	

*Beneficiaries:* Approximately 3,200 governmental units benefit from these tax expenditures.

## VOLUNTEER EMERGENCY VEHICLES

*Description:* Fuel purchased by a volunteer fire company, volunteer ambulance service or volunteer rescue squad and used solely in official vehicles is exempt from the tax.

*Purpose:* Volunteer emergency organizations provide public services which are perceived to benefit the citizenry. This exemption permits these services to be rendered at a reduced cost.

(Dollar Amounts in Millions)

*Estimates:*

<b>Liquid Fuels:</b>							
<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	
\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.1	\$ 1.1	\$ 1.1	
<b>Jet Fuel &amp; Aviation Gasoline:</b>							
<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	
Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	
<b>Fuels:</b>							
<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	
\$ 1.5	\$ 1.4	\$ 1.4	\$ 1.5	\$ 1.5	\$ 1.5	\$ 1.5	
<b>Oil Company Franchise:</b>							
<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	
\$ 3.4	\$ 3.4	\$ 3.4	\$ 3.4	\$ 3.4	\$ 3.4	\$ 3.4	

*Beneficiaries:* Approximately 2,000 volunteer fire departments and an unknown number of other volunteer organizations benefit from these tax expenditures.



# Motor License Fund Tax Expenditures

## NONPROFIT NONPUBLIC SCHOOLS

**Description:** Fuel purchased by any nonprofit nonpublic school in which a Commonwealth resident may legally fulfill compulsory school attendance requirements is granted an exemption from the tax.

**Purpose:** Since state government indirectly subsidizes transporting public school children, this exemption provides similar treatment to nonprofit nonpublic schools.

(Dollar Amounts in Millions)

<b>Estimates:</b>	<b>Liquid Fuels:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
	<b>Jet Fuel &amp; Aviation Gasoline:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	<b>Fuels:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	<b>Oil Company Franchise:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

**Beneficiaries:** As many as 2,233 nonprofit nonpublic schools may benefit from these tax expenditures.

## SECOND CLASS COUNTY PORT AUTHORITIES

**Description:** Purchases of fuel by second class county port authorities are exempt from the tax.

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

(Dollar Amounts in Millions)

<b>Estimates:</b>	<b>Liquid Fuels:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA
	<b>Jet Fuel &amp; Aviation Gasoline:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	<b>Fuels:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA
	<b>Oil Company Franchise:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

**Beneficiaries:** One second class county port authority benefits from these tax expenditures.



# Motor License Fund Tax Expenditures

## ELECTRIC COOPERATIVES

**Description:** Fuel purchases for vehicles operated by electric cooperatives are exempt from the tax.

**Purpose:** These cooperatives are nonprofit corporations organized to engage in rural electrification and are perceived to provide a public benefit. This exemption permits this service to be rendered at a reduced cost.

(Dollar Amounts in Millions)

<b>Estimates:</b>	<b>Liquid Fuels:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	<b>Jet Fuel &amp; Aviation Gasoline:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	<b>Fuels:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	<b>Oil Company Franchise:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

**Beneficiaries:** There are 13 electric cooperatives in the Commonwealth that benefit from these tax expenditures.

## AGRICULTURAL USE

**Description:** A full refund of tax paid is granted 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 these provisions.

**Purpose:** This exemption helps to provide agricultural products at a reduced price to the consumer.

(Dollar Amounts in Millions)

<b>Estimates:</b>	<b>Liquid Fuels:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 1.6	\$ 1.6	\$ 1.6	\$ 1.6	\$ 1.6	\$ 1.6	\$ 1.6
	<b>Jet Fuel &amp; Aviation Gasoline:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	<b>Fuels:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
	<b>Oil Company Franchise:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4

**Beneficiaries:** Individuals operating approximately 45,000 farms benefit from these tax expenditures.

# Motor License Fund Tax Expenditures

## DISCOUNT

**Description:** A distributor is permitted a variable percentage discount based on gross tax due provided the liquid fuels and fuels tax return and payment due are timely filed. Returns and payments are due on or before the 20th day of each month for the preceding month's sales.

**Purpose:** This discount is intended to defray the cost of preparing and remitting the liquid fuels and fuels tax reports and payments.

(Dollar Amounts in Millions)

<b>Estimates:</b>	<b>Liquid Fuels:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 4.6	\$ 4.8	\$ 4.8	\$ 4.8	\$ 4.8	\$ 4.9	\$ 4.9
	<b>Jet Fuel &amp; Aviation Gasoline:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
	<b>Fuels:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 1.6	\$ 1.5	\$ 1.6	\$ 1.6	\$ 1.6	\$ 1.6	\$ 1.6

**Beneficiaries:** Approximately 600 distributors benefit from these tax expenditures.

## FOREIGN DIPLOMATS

**Description:** Fuel purchased by foreign diplomats whose country has entered into a treaty with the United States is exempt from payment of the tax.

**Purpose:** The Commonwealth grants this exemption administratively at the request of the Federal government.

(Dollar Amounts in Millions)

<b>Estimates:</b>	<b>Liquid Fuels:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA
	<b>Jet Fuel &amp; Aviation Gasoline:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	<b>Fuels:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA
	<b>Oil Company Franchise:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

**Beneficiaries:** The number of foreign diplomats benefiting from these tax expenditures is unknown but presumed to be nominal.

# Motor License Fund Tax Expenditures

## BUSES

---

*Description:* A bus company is entitled to a refund equal to 55 mills of the oil company franchise tax imposed on fuels consumed by motorbuses within this Commonwealth.

*Purpose:* Act 3-1997 repealed the 6 cent surtax imposed on all motor carriers and replaced it with a 55 mill increase in the oil company franchise tax imposed on fuels. Since buses were historically exempt from the surtax, they have been granted a refund for the 55 mill surtax replacement effective January 1, 1999.

(Dollar Amounts in Millions)

Estimates:	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.1	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3

*Beneficiaries:* Approximately 100 bus companies benefit from this tax expenditure.



# Motor License Fund Tax Expenditures

## MOTOR CARRIERS ROAD TAX / IFTA

**Authorization:** Chapter 96 of Title 75 of the Pennsylvania Consolidated Statutes. The motor carriers road tax is levied at the rate per gallon currently in effect on Pennsylvania liquid fuels and fuels or alternative fuels tax plus the oil franchise tax currently in effect. Prior to October 1, 1997, an additional tax of 6 cents per gallon was collected through the motor carriers road tax. Effective October 1, this tax was repealed and replaced by a tax of 55 mills on each gallon of fuels and collected through the oil franchise tax. Effective January 1, 1996, under Act 75 of 1995, Pennsylvania implemented the provisions of the International Fuel Tax Agreement (IFTA). Under IFTA, fuel consumed in "qualified motor vehicles" is subject to taxation at current rates. A qualified motor vehicle is a motor vehicle, other than a recreational vehicle, which is used, designed or maintained for transportation of persons or property and which has two axles and a registered gross weight exceeding 26,000 pounds, three axles or more regardless of weight or used in combination when the registered gross weight exceeds 26,000 pounds. IFTA provisions do not distinguish taxable use by vehicle types, only by weight and axle configuration. Therefore, Act 75 of 1995 repealed the motorbus road tax effective January 1, 1996. The following estimates reflect the full tax rate imposed.

**Administrative Costs:** Costs to administer the multiple tax expenditures associated with motor carrier road tax/IFTA can not be identified separately. Tax expenditures are not believed to be a significant factor associated with the need for more compliance audits and contribute minimally to the length of time necessary to complete such audits.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.7	\$ 0.7	\$ 0.7

## POLITICAL SUBDIVISIONS

**Description:** Vehicles operated by political subdivisions are exempt from the requirements of the motor carriers road tax.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 9.5	\$ 9.8	\$ 9.8	\$ 9.8	\$ 9.8	\$ 9.9	\$ 9.9

**Beneficiaries:** Approximately 3,200 governmental units benefit from this tax expenditure.



# Motor License Fund Tax Expenditures

## FARM VEHICLES

*Description:* Qualified motor vehicles bearing a Pennsylvania farm truck registration operating under restricted use and farm vehicles exempt from registration are exempt from the motor carriers road tax.

*Purpose:* This exemption assists the farmer to provide agricultural products at a reduced price to the consumer.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 3.0	\$ 3.1	\$ 3.1	\$ 3.1	\$ 3.1	\$ 3.1	\$ 3.1

*Beneficiaries:* Individuals operating approximately 45,000 farms benefit from this tax expenditure.

## EMERGENCY VEHICLES

*Description:* Fire, rescue, ambulance, and select other emergency vehicles are exempt from the motor carriers road tax.

*Purpose:* Emergency organizations provide public services 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>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 5.5	\$ 5.7	\$ 5.7	\$ 5.7	\$ 5.7	\$ 5.7	\$ 5.7

*Beneficiaries:* Approximately 2,500 fire departments and an unknown number of other organizations benefit from this tax expenditure.

## SPECIAL MOBILE EQUIPMENT

*Description:* Vehicles not designed or used primarily for the transportation of persons or property 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 motor carriers road tax.

*Purpose:* Exemption is granted to these vehicles because of their specialized off-highway use.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.8	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9

*Beneficiaries:* The owners of approximately 1,700 special mobile equipment vehicles benefit from this tax expenditure.



# Motor License Fund Tax Expenditures

## IMPLEMENTS OF HUSBANDRY

*Description:* A vehicle designed or adapted to be used exclusively for agricultural operations is exempt from the motor carriers road tax.

*Purpose:* This exemption assists the farmer to provide agricultural products at a reduced price to the consumer.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

*Beneficiaries:* The owners of approximately 7 implements of husbandry vehicles benefit from this tax expenditure.

## CHARITABLE AND RELIGIOUS ORGANIZATIONS

*Description:* Vehicles operated by charitable and religious organizations are exempt from the motor carriers road tax.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 1.6	\$ 1.6	\$ 1.6	\$ 1.6	\$ 1.6	\$ 1.6	\$ 1.6

*Beneficiaries:* Approximately 30,300 charitable and religious organizations may benefit from this tax expenditure.

## CHURCHES

*Description:* A motorbus owned by and registered to a church, exempt under section 1901 of Title 75, is exempt from the motor carriers road tax relative to in-state travel.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* As many as 14,200 churches may benefit from this tax expenditure.



# Motor License Fund Tax Expenditures

## ELECTRIC COOPERATIVES

*Description:* Qualified motor vehicles operated by electric cooperatives are exempt from the motor carriers road tax.

*Purpose:* These cooperatives are nonprofit corporations organized to engage in rural electrification and are perceived to provide public benefit. This exemption permits this service to be rendered at a reduced cost to the rate payers.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* There are 13 cooperatives in the Commonwealth that benefit from this tax expenditure.

## VEHICLES NEEDING EMERGENCY REPAIRS

*Description:* A qualified motor vehicle needing emergency repairs, which was granted authorization from the Pennsylvania State Police to enter this Commonwealth, is exempt from the motor carriers road tax.

*Purpose:* This exemption was granted due to the temporary emergency nature of the vehicle entering Pennsylvania for needed repairs.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* NA

## VEHICLES SECURING REPAIRS OR RECONDITIONING

*Description:* Exemption from the motor carriers road tax is provided for unladen or towed motor vehicles or unladen trailers entering Pennsylvania solely for the purpose of securing repairs or reconditioning.

*Purpose:* This exemption was granted so as to not discourage vehicle owners from obtaining repairs or reconditioning of a vehicle from a Pennsylvania business.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* NA



# Motor License Fund Tax Expenditures

## SCHOOL BUS

**Description:** Buses designed to carry 11 or more passengers used for the transportation of preprimary, primary or secondary school students to or from public, private or parochial schools or school-related activities or events are exempt from the motor carriers road tax.

**Purpose:** Since state government indirectly subsidizes transporting school children, this exemption decreases state educational subsidy costs.

(Dollar Amounts in Millions)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 9.6	\$ 9.5	\$ 9.5	\$ 9.6	\$ 9.7	\$ 9.7	\$ 9.8

**Beneficiaries:** Approximately 5,700 schools benefit from this tax expenditure.

## RECREATIONAL VEHICLES

**Description:** Qualified motor vehicles such as motor homes, pickup trucks with attached campers and buses when used exclusively for personal pleasure by individuals are exempt from the motor carriers road tax.

**Purpose:** The MCRT/IFTA requirements are intended to apply to selected commercial vehicles. This provision exempts personal use only vehicles which would otherwise be subject to these taxing requirements.

(Dollar Amounts in Millions)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

**Beneficiaries:** NA





# Motor License Fund Tax Expenditures

## MOTOR VEHICLE CODE

**Authorization:** The Motor Vehicle Code, contained in Title 75 of the Act of June 17, 1976 (P.L. 162, No. 81), became effective July 1, 1977. This amended the Act of April 29, 1959 (P.L. 58, No. 32) known as "The Vehicle Code." Contained in the Motor Vehicle Code are provisions for the titling, registration and licensing of vehicles, operation of vehicles, vehicle characteristics and the administration and enforcement of the code.

**Administrative Costs:** Costs to administer motor vehicle code tax expenditures are borne by the Department of Transportation and cannot be separately identified.

(Dollar Amounts in Millions)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

## VEHICLE REGISTRATIONS

**Description:** Specific entities that request the authority to operate are granted a full or partial exemption from the registration fee. Not shown below are exempt categories with unknown numbers of vehicles which include, for example, mobile/modular homes and off road construction vehicles.

**Purpose:** This exemption provides relief to the organizations or individuals cited below. Many of those cited are dependent upon charitable contributions or augmented incomes. This exemption is also an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

<b>Estimates:</b>	<b>Disabled/Severely Disabled Veterans:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

**Beneficiaries:** The owners of approximately 9,700 vehicles benefit from this tax expenditure.

### **Charitable Organizations:**

	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1

**Beneficiaries:** The owners of approximately 13,900 vehicles benefit from this tax expenditure.

### **Former Prisoners of War:**

	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

**Beneficiaries:** The owners of approximately 1,400 vehicles benefit from this tax expenditure.



# Motor License Fund Tax Expenditures

**Farm Trucks:**

<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
\$ 3.5	\$ 3.5	\$ 3.6	\$ 3.6	\$ 3.7	\$ 3.7	\$ 3.7

*Beneficiaries:* The owners of approximately 12,300 farm trucks benefit from this tax expenditure.

**Emergency Vehicles:**

<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
\$ 2.5	\$ 2.5	\$ 2.6	\$ 2.6	\$ 2.6	\$ 2.6	\$ 2.7

*Beneficiaries:* Approximately 2,500 fire departments and an unknown number of other organizations benefit from this tax expenditure.

**Fire Department Vehicles:**

<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
\$ 4.3	\$ 4.3	\$ 4.3	\$ 4.4	\$ 4.4	\$ 4.5	\$ 4.5

*Beneficiaries:* Approximately 2,500 fire departments benefit from this tax expenditure.

**Political Subdivisions:**

<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
\$ 12.8	\$ 12.9	\$ 13.0	\$ 13.1	\$ 13.3	\$ 13.4	\$ 13.5

*Beneficiaries:* Approximately 3,200 governmental units benefit from this tax expenditure.

**Older Pennsylvanians:**

<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
\$ 3.7	\$ 3.8	\$ 4.0	\$ 4.2	\$ 4.4	\$ 4.7	\$ 4.9

*Beneficiaries:* Older Pennsylvanians owning approximately 122,000 vehicles benefit from this tax expenditure.

## CARNIVAL TRUCKS/TRUCK TRACTORS

*Description:* Owners who document with the Department of Transportation that the truck or tractor is used exclusively for the purpose of transporting circus or carnival personnel, equipment, or machinery are granted a reduced registration fee.

*Purpose:* The reduced registration fee provides partial relief for those vehicles being used only between April 1 and September 30.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

*Beneficiaries:* The owners of approximately 200 carnival vehicles benefit from this tax expenditure.



# Motor License Fund Tax Expenditures

## CERTIFICATES OF TITLE

**Description:** Ownership of a particular vehicle is recorded by the issuance of a certificate of title for which a fee is charged. Specific entities exempt from this title fee are political subdivisions, totally disabled veterans, emergency vehicles and foreign nationals.

**Purpose:** This exemption provides relief to the organizations or individuals cited above. The General Assembly has provided exemption for these entities due to their perceived special status.

(Dollar Amounts in Millions)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

**Beneficiaries:** The owners of approximately 8,200 vehicles benefit from this tax expenditure.

## INSPECTION STICKERS

**Description:** All vehicles registered in Pennsylvania are required to have periodic safety inspections to insure their road worthiness. 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)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.4	\$ 0.4	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5

**Beneficiaries:** Approximately 3,200 governmental units benefit from this tax expenditure.

## BRIDGE PERMITS

**Description:** Bridges on state owned rights-of-way need periodic maintenance and construction work. Permits are issued, for a fee, by the state to perform such work. The Commonwealth administratively grants an exemption from the permit fee to political subdivisions who are performing work for the state.

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

(Dollar Amounts in Millions)

<b>Estimates:</b>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

**Beneficiaries:** As many as 3,200 political subdivisions may benefit from this tax expenditure.



# Motor License Fund Tax Expenditures

## HAULING PERMITS

*Description:* Permits, for which a fee is charged, are issued to firms who wish to haul loads that exceed the maximum size or weight specifications of certain highways and bridges. The Commonwealth administratively grants an exemption from the permit fee to political subdivisions.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

*Beneficiaries:* As many as 3,200 political subdivisions may benefit from this tax expenditure.

## POLICE ACCIDENT REPORTS

*Description:* Traffic accident reports are generated as a result of any accident where there is bodily injury or death or if one or more vehicles must be towed from the scene. A fee is charged to obtain a copy of the police accident report. The Commonwealth administratively grants an exemption for paying an accident report fee to political subdivisions.

*Purpose:* This exemption provides local prosecuting officials an aid in law enforcement.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

*Beneficiaries:* As many as 3,200 political subdivisions may benefit from this tax expenditure.



# Racing Fund Tax Expenditures

The Racing Fund, a special revenue fund, is comprised of monies received from taxes, licenses and fees and miscellaneous revenues collected by the State Racing Commissions derived from the regulation of harness and horse racing. Prior to December 30, 1983, thoroughbred racing tax revenues consisted of wagering, breakage and admissions taxes 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. This act also amended portions of the Race Horse Industry Reform Act relating to taxation.

*Administrative Costs:* Administrative costs associated with these tax expenditures are nominal.

## WAGERING TAX

*Authorization:* Act of May 16, 1986 (P.L. 205, No. 63).

### NEW CORPORATIONS

---

*Description:* Racing Corporations licensed after May 16, 1986 are subject to a reduced wagering tax rate, 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>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* Any racing corporation licensed after the cited date will benefit from this tax expenditure.

## ADMISSIONS TAX

*Authorization:* Department of Revenue letter ruling with concurrence of counsel for Racing Commission.

### DARK DAY SIMULCASTS

---

*Description:* The minimum admissions tax, currently 5% 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>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* All seven racing associations benefit from this tax expenditure.



# Recycling Fund Tax Expenditure

## WASTE TIRE RECYCLING TAX CREDIT

*Administrative Costs:* Administrative costs are believed to be nominal.

*Authorization:* Act 190 of 1996, signed December 19, 1996.

*Description:* A tax credit is available to a taxpayer who makes a qualified investment in buildings, equipment or facilities for the purpose of reducing, reusing or recycling whole used or waste tires. The tax credit is equal to 30 percent of the cost of the investment in the first year and 10 percent thereafter. The credit may be applied to the corporate net income tax, capital stock / foreign franchise tax or personal income tax. The total amount of tax credits in each calendar year may not exceed \$2,000,000. The investment tax credits are available for three years.

*Purpose:* The tax credit encourages reduction, reuse or recycling of whole used tires or waste tires.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	--	--	--	--

*Beneficiaries:* A small number of taxpayers benefit from this credit program.



## UNEMPLOYMENT COMPENSATION INSURANCE TAX

**Administrative Costs:** The costs of administering the tax expenditure associated with the unemployment compensation insurance tax are nominal.

### LIMITATION OF THE TAXABLE WAGE BASE

**Authorization:** Act of December 5, 1936 (2nd special session, 1937 P.L. 2897, No. 1), 4(x)(1), as amended, 43 P.S. 753(x)(1).

**Description:** The Commonwealth's unemployment compensation law provides for a limitation of the taxable wage base to the first \$8,000 of wages paid to each employee during a calendar year by an employer. Prior to 1984 the limitation on taxable remuneration had been \$7,000. All state governments are required by the federal government to tax at least the first \$7,000 of subject wages. Many states, including Pennsylvania, have chosen to keep their bases close to the federal minimum. The estimate represents the cost of this limitation as measured by the difference between contributions based on taxable wages and contributions based on total wages. In 1988, legislation was enacted which provides for a "trigger" mechanism to regulate employer and employee contributions. The trigger mechanism working in conjunction with the experience rating system would change tax rates in response to a change in the taxable wage base. The methodology used for this estimate does not incorporate the changes which would occur to the tax rates as a result of tax base changes. Projected tax rates were used to estimate contributions based on currently taxable wages. The same tax rates were used to estimate contributions based on total wages paid by contributory employers.

**Purpose:** The limitation on taxable wages limits growth in employer tax liabilities that would otherwise occur as wages rise.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$3,662.0	\$3,881.3	\$4,095.3	\$4,294.8	\$4,530.6	\$4,773.6	\$5,034.6

**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 1999 there were 250,170 contributory employers to the Unemployment Compensation Fund. The following is a breakdown of these employers according to major industry division:

Agriculture, Forestry and Fisheries .....	5,769	Wholesale Trade .....	23,509
Mining .....	796	Retail Trade .....	49,077
Construction .....	29,587	F.I.R.E. ....	17,169
Manufacturing .....	17,143	Services .....	96,603
Transportation and Public Utilities .....	9,290	Local Government .....	756

<sup>1</sup>Data may not add to totals due to the unavailability of industry classification for some employers.



## PUBLIC TRANSPORTATION ASSISTANCE FUND

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

The Public Transportation Assistance Fund provides for the capital, asset maintenance and certain other transportation needs of the Commonwealth's public transit entities.

Fund revenues are derived from a portion of the public utility realty tax (PURTA); a motor vehicle lease tax; a motor vehicle rental fee; a fee on the sale of new tires; 0.44 percent of total sales and use tax receipts in lieu of the repealed periodicals tax; and 0.09 percent of total sales and use tax receipts in lieu of the repealed lease tax on class four and above motor carriers. Act 138 of 1996 (electric competition) provided for transfers from the utility gross receipts tax to the Public Transportation Assistance Fund beginning in FY 1998-99. 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 7.6 mills levy accruing to the Public Transportation Assistance Fund. With the exception of the fee on tires and the class 4 and above motor carrier tax expenditure, the remaining tax expenditures parallel those in the General Fund sales and use tax expenditures.

*Administrative Costs:* Administrative costs are believed to be nominal.

## UTILITY REALTY TAX

Every entity required to pay the tax imposed under Article XI-A of the Tax Reform Code of 1971 must also remit an additional 7.6 mills upon each dollar of the state taxable value of its utility realty at the end of the calendar year. The authorization, explanation and administrative costs 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 provision prevents the double taxation of such property.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.7	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.9	\$ 0.9	\$ 0.9

*Beneficiaries:* The 463 public utilities could benefit from this tax expenditure.





# 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>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.8	\$ 0.8	\$ 0.8

**Beneficiaries:** The 463 public utilities could benefit from this tax expenditure.

## 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>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 1.5	\$ 1.6	\$ 1.7	\$ 1.7	\$ 1.8	\$ 1.9	\$ 2.0

**Beneficiaries:** The 58 railroad public utilities could benefit from this tax expenditure.

## SEWAGE SERVICES

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

**Purpose:** This provides tax relief to companies that are in the business of sewage treatment and encourages investment in sewage treatment facilities 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>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 1.4	\$ 1.4	\$ 1.5	\$ 1.5	\$ 1.6	\$ 1.7	\$ 1.7

**Beneficiaries:** The 93 public utilities that provide sewage services benefit from this tax expenditure.



# Special Fund Tax Expenditures

## MUNICIPALITIES

*Description:* Municipalities or municipal authorities furnishing electric, natural gas, telephone or water public utility services are exempt from tax.

*Purpose:* The realty used for municipally-furnished utility services is public property used for public purposes. Moreover, taxing such property would result in the municipal government funding the realty tax equivalent distributed to local taxing authorities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.8	\$ 0.9	\$ 0.9	\$ 0.9	\$ 1.0	\$ 1.0	\$ 1.1

*Beneficiaries:* The 539 municipal authorities and 33 municipal public utilities benefit from this tax expenditure.

## ELECTRIC GENERATION FACILITIES

*Description:* After December 31, 1999, land and improvements indispensable to the generation of electricity become subject to local real estate tax and are excluded from the PURTA tax base and the realty tax equivalent.

*Purpose:* Electric generation facilities are removed from the PURTA tax base when electric generation is no longer regulated as a public utility function. The electric competition statute changed the definition of public utility, and generation facilities can be owned by unregulated entities. This exemption allows a level playing field for participants in electricity supply.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	\$ 6.1	\$ 6.3	\$ 6.6	\$ 6.8	\$ 7.1	\$ 7.4

*Beneficiaries:* The 23 electric utilities owning generating assets in Pennsylvania benefit from this tax expenditure.

## MOTOR VEHICLE LEASE TAX AND MOTOR VEHICLE RENTAL FEE

The Commonwealth levies a 3% tax on the total price charged for each lease of a motor vehicle subject to tax under Article II of the Tax Reform Code of 1971.

A fee of \$2 per day or portion of a day is imposed on each rental of a motor vehicle subject to tax under Article II of the Tax Reform Code of 1971.



# Special Fund Tax Expenditures

## 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)

<b>Estimates:</b>	<b>Motor Vehicle Leases:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA
	<b>Motor Vehicle Rentals:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

**Beneficiaries:** Approximately 4,900 common carriers could benefit from this tax expenditure.

## 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)

<b>Estimates:</b>	<b>Motor Vehicle Leases:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.7	\$ 0.7	\$ 0.8	\$ 0.8	\$ 0.9	\$ 1.0	\$ 1.0
	<b>Motor Vehicle Rentals:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.7	\$ 0.8	\$ 0.8	\$ 0.9

**Beneficiaries:** Approximately 5,700 schools benefit from this tax expenditure.

# Special Fund Tax Expenditures

## 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>	<b>Motor Vehicle Leases:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* The owners of 213,334 motor carrier vehicles (class 4 and above) benefit from this tax expenditure.

## EXEMPT ORGANIZATIONS

*Description:* The lease or rental of personal property 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.

*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>	<b>Motor Vehicle Leases:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA
	<b>Motor Vehicle Rentals:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	NA	NA	NA	NA	NA	NA	NA

*Beneficiaries:* Approximately 30,300 organizations might benefit from this tax expenditure.



# Special Fund Tax Expenditures

## EXEMPT GOVERNMENTAL UNITS

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

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

(Dollar Amounts in Millions)

<b>Estimates:</b>	<b>Motor Vehicle Leases:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.5	\$ 0.5	\$ 0.5

<b>Estimates:</b>	<b>Motor Vehicle Rentals:</b>						
	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4

**Beneficiaries:** As many as 3,200 political subdivisions may benefit from this tax expenditure.



# Special Fund Tax Expenditures

## 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>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

*Beneficiaries:* As many as 3,200 political subdivisions may benefit from this tax expenditure.





Governor's Executive Budget

# *DEPARTMENT PRESENTATIONS*



---

# GOVERNOR'S OFFICE

The Governor directs and coordinates the work of State Government and guides the programs of the agencies in the direction that assures compliance with existing law, definable needs and administration goals.





**Summary by Fund and Appropriation**

(Dollar Amounts in Thousands)

1998-99                      1999-00                      2000-01  
 ACTUAL                      AVAILABLE                      BUDGET

**GENERAL FUND:**

*General Government:*

Governor's Office..... \$        7,208        \$        7,566        \$        7,793

**GENERAL FUND TOTAL**..... \$        7,208        \$        7,566        \$        7,793

## Program Funding Summary

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>EXECUTIVE DIRECTION</b>							
GENERAL FUND.....	\$ 7,208	\$ 7,566	\$ 7,793	\$ 7,949	\$ 8,108	\$ 8,270	\$ 8,435
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
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 7,208</b>	<b>\$ 7,566</b>	<b>\$ 7,793</b>	<b>\$ 7,949</b>	<b>\$ 8,108</b>	<b>\$ 8,270</b>	<b>\$ 8,435</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 7,208	\$ 7,566	\$ 7,793	\$ 7,949	\$ 8,108	\$ 8,270	\$ 8,435
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
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 7,208</b>	<b>\$ 7,566</b>	<b>\$ 7,793</b>	<b>\$ 7,949</b>	<b>\$ 8,108</b>	<b>\$ 8,270</b>	<b>\$ 8,435</b>



*PROGRAM OBJECTIVE: To provide an effective administrative system through which the substantive programs of the Commonwealth can be accomplished.*

**Program: Executive Direction**

The executive authority of the Commonwealth is vested in the Governor by the Pennsylvania Constitution. It is the duty of the Governor to ensure that the laws of the Commonwealth are faithfully executed. The Governor also oversees the publication of public information including bulletins of the work of State Government. The Governor submits an annual budget to the General Assembly, and performs all other functions required of this office as delegated by the State Constitution and in law.

The Governor maintains a liaison office in Washington, D.C. to ensure that the Commonwealth obtains its maximum fair share of block grants, grants-in-aid, contracts and services available from the Federal Government. The Washington office assists the Pennsylvania Congressional delegation in these areas, works with the offices of other

states on matters of common interest, and assists the Governor's Office in coordinating the Federal liaison work of the departments and agencies.

This program also provides for the Governor's Residence. The residence is used for State functions and to provide a domicile for the Governor and the First Family. The expenses for official functions, as well as those essential to managing a household, are paid from the Governor's Office appropriation. As one of the Commonwealth's public buildings, the maintenance of the residence is primarily the responsibility of the Department of General Services. Equipment, supplies (except food) and housekeeping services are provided by the department.

**Program Recommendations:**

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 227 Governor's Office  
—to continue current program.

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Governor's Office .....	\$ 7,208	\$ 7,566	\$ 7,793	\$ 7,949	\$ 8,108	\$ 8,270	\$ 8,435



---

# EXECUTIVE OFFICES

To assist the Governor in the administration of State Government, the Office of Administration performs the duties of a central management agency and coordinates the Commonwealth's Information Technology Strategies. The Office of the Budget performs the duties of a central financial management agency, prepares the annual Governor's Budget and Five Year Financial Plan based upon the Governor's priorities and analysis of program effectiveness, and provides comptroller services for the maintenance and management of all agency accounts in the Commonwealth. The Inspector General investigates suspected improper use of State resources and investigates and recovers funds disbursed as a result of fraud or overpayment of welfare benefits. The Human Relations Commission, the Commission for Women, the African-American Affairs Commission and the Latino Affairs Commission 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 processes claim payments in certain medical malpractice cases. The Rural Development Council works to promote rural development in Pennsylvania.

---



**PROGRAM REVISION**

**Budgeted Amounts Include the Following Program Revisions:**

Title	Appropriation	2000-01 State Funds (in thousands)
<b>Enhancing Information Technology to Better Serve Pennsylvania</b>		
<b>GENERAL FUND</b>		
	Information Communication.....	\$ 24,000
	Technology Investment Program.....	16,388
	Commonwealth Technology Services.....	859
	Electronic Government.....	20,000
	Communications Management.....	2,655
	Information Management Systems.....	35,408
	Integrated Criminal Justice Network.....	<u>12,019</u>
	Subtotal.....	\$ 111,329
<b>MOTOR LICENSE FUND</b>		
	Statewide Public Safety Radio System.....	<u>\$ 612</u>
	Program Revision Subtotal.....	<u>\$ 111,941</u>

This Program Revision provides resources for communication equipment and facility infrastructure improvements; enterprise-wide information technology projects; administrative support for the Statewide Public Safety Radio System; electronic government solutions for citizens, businesses and local governments; administrative support for a communication office; an integrated administrative software suite; and development and implementation of the Justice Network for use by all criminal justice agencies. A total of \$174.3 million in State and other funds is provided by this Program Revision across nine agencies.



**PROGRAM REVISION**

**Budgeted Amounts Include the Following Program Revisions:**

Title	Appropriation	2000-01 State Funds (in thousands)
<b>Protecting Public Safety Through Enforcement, Prevention and Rehabilitation</b>		
	Partnership for Safe Children.....	\$ 2,130
	Weed and Seed.....	1,156
	Intermediate Punishment Drug and Alcohol Treatment.....	2,000
	Communities That Care.....	4,000
	Specialized Probation Services.....	<u>2,000</u>
	Program Revision Subtotal.....	<u>\$ 11,286</u>

This Program Revision provides resources to expand community-based violence and delinquency prevention programs, assist communities in eliminating drug-related crime, increase support for county-level drug and alcohol intermediate punishment programs, implement the Communities That Care assessment and planning process, and expand the availability of specialized probation services for juvenile offenders. This is part of the \$39.1 million Protecting Public Safety Through Enforcement, Prevention and Rehabilitation Program Revision. Please see the Program Revision following the Institutionalization of Offenders program in the Department of Corrections for additional information on this Program Revision.

<b>Department Total.....</b>	<b><u>\$ 123,227</u></b>
------------------------------	--------------------------



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
Office of Administration.....	\$ 7,783	\$ 8,115	\$ 8,285
(A)Office of Information Technology.....	1,982	0	0
(A)Classification and Pay Services.....	2,281	2,380	2,380
(A)State Employee Assistance Program.....	2,020	1,135	1,154
(A)Clerical Testing Program.....	56	55	55
(A)Temporary Clerical Pool.....	4,220	5,230	5,209
(A)Bureau of Management Consulting.....	1,694	1,316	1,348
(A)Executive Board/Directives Management.....	278	264	268
(A)Labor Relations.....	170	150	160
(A)Managing for Government Responsiveness Training.....	169	175	434
(A)Group Life Insurance Program Commissions.....	0	60	60
(A)Miscellaneous Projects.....	40	20	43
Subtotal.....	\$ 20,693	\$ 18,900	\$ 19,396
Medicare Part B Penalties.....	439	470	460
Information Communication.....	0	0	24,000
Technology Investment Program.....	20,051	26,433 <sup>a</sup>	16,988
Commonwealth Technology Services.....	2,524 <sup>b</sup>	6,441 <sup>c</sup>	11,809
(A)Commonwealth Technology Center.....	12,160	12,059	16,856
(A)Radio Systems - Local Government Services.....	0	0	189
Subtotal.....	\$ 14,684	\$ 18,500	\$ 28,854
Electronic Government.....	0	0	20,000
Communications Management.....	0	0	2,655
Integrated Management Systems.....	0	0	35,408
Integrated Criminal Justice System.....	9,050	9,288	12,019
Office of Inspector General.....	2,281	2,434	2,869
(A)Reimbursements for Special Fund Investigations.....	1,000	1,023	1,023
Subtotal.....	\$ 3,281	\$ 3,457	\$ 3,892
Inspector General - Welfare Fraud.....	10,398	10,988	11,437
(F)TANFBG-Program Accountability.....	2,455	2,000	1,835
(F)Food Stamps - Program Accountability.....	4,879	4,600	4,683
(F)Medical Assistance - Program Accountability.....	1,650	2,000 <sup>d</sup>	2,528
(F)Subsidized Day Care Fraud.....	23	100 <sup>e</sup>	75
Subtotal.....	\$ 19,405	\$ 19,688	\$ 20,558
Office of the Budget.....	27,609	29,902	30,784
(F)JTPA - Program Accountability.....	368	400	0
(F)WIA - Program Accountability.....	0	0	400
(A)Support for Commonwealth Payroll Operations.....	6,733	6,570	6,767
(A)Support for PLCB Comptroller's Office.....	7,076	7,383	7,604
(A)Support for Comptroller Services.....	20,431	20,564	21,212
Subtotal.....	\$ 62,217	\$ 64,819	\$ 66,767
Audit of the Auditor General.....	0	75	0
General Salary Increase.....	0	1,303	0
Office of General Counsel.....	3,194	3,337	6,789
(A)CLE Registration Fees.....	18	20	20
(A)Legal Intern Program.....	0	285	242
Subtotal.....	\$ 3,212	\$ 3,642	\$ 7,051
Rural Development Council.....	108	178	183
(F)Rural Development.....	166	118	116
(F)Rural Development Through Forestry.....	25	25	25
(A)Special Projects.....	2	3	3



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
Subtotal.....	\$ 301	\$ 324	\$ 327
<b>Human Relations Commission.....</b>	<b>9,660</b>	<b>10,147</b>	<b>11,939</b>
(F)EEOC - Special Project Grant.....	1,254	1,500	1,600
(F)HUD - Special Project Grant.....	936	1,000	1,500
Subtotal.....	\$ 11,850	\$ 12,647	\$ 15,039
<b>Latino Affairs Commission.....</b>	<b>207</b>	<b>216</b>	<b>222</b>
<b>African American Affairs Commission.....</b>	<b>336</b>	<b>351</b>	<b>351</b>
<b>Council on the Arts.....</b>	<b>999</b>	<b>1,023</b>	<b>1,046</b>
(F)NEA - Grants to the Arts - Administration.....	175	175	175
Subtotal.....	\$ 1,174	\$ 1,198	\$ 1,221
<b>Commission for Women.....</b>	<b>243</b>	<b>270</b>	<b>274</b>
(A)Conference Registration Fees.....	1	50	50
Subtotal.....	\$ 244	\$ 320	\$ 324
<b>Juvenile Court Judges Commission.....</b>	<b>2,336</b>	<b>2,285</b>	<b>1,799</b>
(F)DCSI - Enhanced Data Collecting and Reporting.....	0	342	228
(F)DCSI - Balanced and Restorative Justice.....	48	32	0
(F)Juvenile Accountability Incentive BG.....	0	57	0
Subtotal.....	\$ 2,384	\$ 2,716	\$ 2,027
<b>Public Employees Retirement Commission.....</b>	<b>617</b>	<b>643</b>	<b>654</b>
<b>Commission on Crime and Delinquency.....</b>	<b>6,990</b>	<b>4,683</b>	<b>4,551</b>
(F)Plan for Juvenile Justice.....	221	290	350
(F)DCSI - Administration.....	1,132	1,600	1,600
(F)DCSI - Program Grants.....	19,468	24,000	24,000
(F)DCSI - Criminal History Records.....	10	10	10
(F)Juvenile Justice - Title V.....	38	60	60
(F)Statistical Analysis Center.....	31	150	150
(F)National Criminal History Improvement Program.....	3,618	5,800	4,800
(F)Crime Victims Compensation Services.....	1,256	1,800	1,800
(F)Violence Against Women.....	7,649	8,200	8,200
(F)Violence Against Women - Administration.....	118	290	290
(F)Juvenile Justice State Challenge Grants.....	374	1,200	1,200
(F)Local Law Enforcement Block Grant.....	2,541	5,000	3,000
(F)Truth in Sentencing Incentive Grants.....	11,783	30,000	30,000
(F)Residential Substance Abuse Treatment Program.....	1,018	3,000	3,000
(F)DFSC - Special Programs.....	4,485	5,200	5,200
(F)Crime Victims Assistance (VOCA) - Admin/Operations.....	379	600	600
(F)PHHSBG - Communities That Care.....	548	0	0
(F)MCHSBG - Communities That Care.....	0	200	200
(F)SABG - Communities That Care.....	0	200	200
(F)Byrne Evaluation Partnership Program.....	100	200	200
(F)Juvenile Accountability Incentive Program.....	1,438	13,541	18,000
(F)Juvenile Accountability Incentive Program - Administration.....	26	400	400
(F)Combat Underage Drinking Program.....	360	450	450
(F)Training and Education Assistance Program.....	0	100	100
(F)Rural Domestic Violence & Child Victimization.....	46	50	50
(F)Pennsylvanians Against Underage Drinking.....	400	400	400
(F)Victim Assistance Training Academy.....	0	35	135
(F)DFSC - Partnership for Children.....	50	0	0
(F)DFSC - Student Assistance Evaluation Project.....	0	35	0
(A)Deputy Sheriff's Education and Training.....	140	225	228
(A)PCCD - Special Projects.....	62	158	160
Subtotal.....	\$ 64,281	\$ 107,877	\$ 109,334
<b>Partnership for Safe Children.....</b>	<b>0</b>	<b>1,000</b>	<b>3,130</b>
<b>Victims of Juvenile Crime.....</b>	<b>0</b>	<b>3,800</b>	<b>3,800</b>
<b>Weed and Seed Program.....</b>	<b>0</b>	<b>0</b>	<b>1,156</b>



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
State Match for DCSI Subgrants.....	0	1,533 <sup>f</sup>	1,955
Subtotal - State Funds.....	\$ 104,825	\$ 124,915	\$ 214,563
Subtotal - Federal Funds.....	69,068	115,160	117,560
Subtotal - Augmentations.....	60,533	59,125	65,465
Total - General Government.....	\$ 234,426	\$ 299,200	\$ 397,588
<b>Grants and Subsidies:</b>			
National Convention and Conferences.....	\$ 0	\$ 7,000	\$ 0
Intermediate Punishment Programs.....	5,250	5,331	5,331
Intermediate Punishment Drug and Alcohol Treatment.....	10,000	11,000	13,000
Drug Education and Law Enforcement.....	3,919	4,000	4,000
Communities That Care.....	0	4,090	8,000
Improvement of Juvenile Probation Services.....	5,513	5,651	5,779
(F)TANFBG - Juvenile Probation Emergency Services.....	2,000	2,000	2,000
Specialized Probation Services.....	5,992 <sup>g</sup>	11,000 <sup>h</sup>	13,267
Subtotal.....	\$ 13,505	\$ 18,651	\$ 21,046
Grants to the Arts.....	10,600	12,000	13,000
(F)NEA - Grants to the Arts.....	553	1,200	1,200
Subtotal.....	\$ 11,153	\$ 13,200	\$ 14,200
Subtotal - State Funds.....	\$ 41,274	\$ 60,072	\$ 62,377
Subtotal - Federal Funds.....	2,553	3,200	3,200
Total - Grants and Subsidies.....	\$ 43,827	\$ 63,272	\$ 65,577
STATE FUNDS.....	\$ 146,099	\$ 184,987	\$ 276,940
FEDERAL FUNDS.....	71,621	118,360	120,760
AUGMENTATIONS.....	60,533	59,125	65,465
GENERAL FUND TOTAL.....	\$ 278,253	\$ 362,472	\$ 463,165
<b>LOTTERY FUND:</b>			
<i>General Government:</i>			
Ridership Verification.....	\$ 133	\$ 0	\$ 0
LOTTERY FUND TOTAL.....	\$ 133	\$ 0	\$ 0
<b>MOTOR LICENSE FUND:</b>			
<i>General Government:</i>			
Office of the Budget.....	\$ 4,093	\$ 4,272	\$ 4,386
(A)Reimbursement for Comptroller Services.....	727	810	812
Subtotal.....	\$ 4,820	\$ 5,082	\$ 5,198
Statewide Public Safety Radio System.....	0	0	612
Subtotal - State Funds.....	\$ 4,093	\$ 4,272	\$ 4,998
Subtotal - Augmentations.....	727	810	812
Total - General Government.....	\$ 4,820	\$ 5,082	\$ 5,810
STATE FUNDS.....	\$ 4,093	\$ 4,272	\$ 4,998
AUGMENTATIONS.....	727	810	812
MOTOR LICENSE FUND TOTAL.....	\$ 4,820	\$ 5,082	\$ 5,810



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99	1999-00	2000-01
	ACTUAL	AVAILABLE	BUDGET
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Radio System Development Project.....	\$ 57	\$ 58	\$ 0
Victim/Witness Services.....	4,508	4,000	4,000
Crime Victims Reimbursements.....	3,961	3,800	3,800
Constables Education and Training Account.....	1,297	1,500	1,500
Drug Abuse Resistance Education.....	12	150	150
Federal Juvenile Justice and Delinquency Prevention.....	2,465	3,500	3,500
Federal Crime Victim Assistance.....	9,258	10,000	10,000
Federal Juvenile Justice - Title V.....	814	800	800
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 22,372</b>	<b>\$ 23,808</b>	<b>\$ 23,750</b>
<b>MEDICAL PROFESSIONAL LIABILITY CATASTROPHE LOSS FUND:</b>			
General Government Operations.....	\$ 22,976	\$ 29,068	\$ 22,794
Payment of Claim Settlements.....	268,898	300,550	290,000
<b>MEDICAL PROFESSIONAL LIABILITY CATASTROPHE LOSS FUND TOTAL....</b>	<b>\$ 291,874</b>	<b>\$ 329,618</b>	<b>\$ 312,794</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 146,099	\$ 184,987	\$ 276,940
SPECIAL FUNDS.....	4,226	4,272	4,998
FEDERAL FUNDS.....	71,621	118,360	120,760
AUGMENTATIONS.....	61,260	59,935	66,277
OTHER FUNDS.....	314,246	353,426	336,544
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 597,452</b>	<b>\$ 720,980</b>	<b>\$ 805,519</b>

<sup>a</sup> Actually appropriated as \$27,110,000. Amount shown is net of transfers to other State agencies.

<sup>b</sup> Actually appropriated as \$2,103,000 for Commonwealth Technology Services and \$421,000 for Radio System Development.

<sup>c</sup> Actually appropriated as \$5,771,000 for Commonwealth Technology Services and \$670,000 for Radio System Development.

<sup>d</sup> Includes recommended supplemental appropriation of \$500,000.

<sup>e</sup> Includes recommended supplemental appropriation of \$58,000.

<sup>f</sup> Actually appropriated as \$1,955,000. Amount shown is net of transfers to other State agencies.

<sup>g</sup> Actually appropriated as \$1,000,000 for Community Crime Prevention and \$4,992,000 for Specialized Probation Services.

<sup>h</sup> Actually appropriated as \$1,000,000 for Community Crime Prevention and \$10,000,000 for Specialized Probation Services.



## Program Funding Summary

	(Dollar Amounts in Thousands)						
	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>EXECUTIVE DIRECTION</b>							
GENERAL FUND.....	\$ 80,860	\$ 103,270	\$ 177,551	\$ 141,299	\$ 143,608	\$ 145,169	\$ 147,221
SPECIAL FUNDS.....	4,226	4,272	4,998	5,110	5,212	5,316	5,422
FEDERAL FUNDS.....	9,566	9,243	9,662	9,681	9,685	9,689	9,694
OTHER FUNDS.....	352,970	388,873	378,371	385,933	393,649	401,517	409,545
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 447,622</b>	<b>\$ 505,658</b>	<b>\$ 570,582</b>	<b>\$ 542,023</b>	<b>\$ 552,154</b>	<b>\$ 561,691</b>	<b>\$ 571,882</b>
<b>LEGAL SERVICES</b>							
GENERAL FUND.....	\$ 3,194	\$ 3,337	\$ 6,789	\$ 3,739	\$ 3,814	\$ 3,890	\$ 3,968
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	18	305	262	267	272	277	282
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 3,212</b>	<b>\$ 3,642</b>	<b>\$ 7,051</b>	<b>\$ 4,006</b>	<b>\$ 4,086</b>	<b>\$ 4,167</b>	<b>\$ 4,250</b>
<b>PREVENTION AND ELIMINATION OF DISCRIMINATORY PRACTICES</b>							
GENERAL FUND.....	\$ 10,446	\$ 10,984	\$ 12,786	\$ 11,856	\$ 11,543	\$ 11,817	\$ 12,058
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,190	2,500	3,100	3,100	3,100	3,100	3,100
OTHER FUNDS.....	1	50	50	51	52	53	54
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 12,637</b>	<b>\$ 13,534</b>	<b>\$ 15,936</b>	<b>\$ 15,007</b>	<b>\$ 14,695</b>	<b>\$ 14,970</b>	<b>\$ 15,212</b>
<b>DEVELOPMENT OF ARTISTS AND AUDIENCES</b>							
GENERAL FUND.....	\$ 11,599	\$ 13,023	\$ 14,046	\$ 14,067	\$ 14,088	\$ 14,110	\$ 14,132
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	728	1,375	1,375	1,375	1,375	1,375	1,375
OTHER FUNDS.....	0	0	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 12,327</b>	<b>\$ 14,398</b>	<b>\$ 15,421</b>	<b>\$ 15,442</b>	<b>\$ 15,463</b>	<b>\$ 15,485</b>	<b>\$ 15,507</b>
<b>CRIMINAL AND JUVENILE JUSTICE PLANNING AND COORDINATION</b>							
GENERAL FUND.....	\$ 26,159	\$ 35,437	\$ 44,923	\$ 45,230	\$ 45,469	\$ 45,714	\$ 45,963
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	57,089	102,811	104,395	104,395	104,395	104,395	104,395
OTHER FUNDS.....	22,517	24,133	24,138	24,335	24,537	24,741	24,950
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 105,765</b>	<b>\$ 162,381</b>	<b>\$ 173,456</b>	<b>\$ 173,960</b>	<b>\$ 174,401</b>	<b>\$ 174,850</b>	<b>\$ 175,308</b>
<b>REINTEGRATION OF JUVENILE DELINQUENTS</b>							
GENERAL FUND.....	\$ 13,841	\$ 18,936	\$ 20,845	\$ 20,881	\$ 20,918	\$ 20,955	\$ 20,993
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,048	2,431	2,228	2,000	2,000	2,000	2,000
OTHER FUNDS.....	0	0	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 15,889</b>	<b>\$ 21,367</b>	<b>\$ 23,073</b>	<b>\$ 22,881</b>	<b>\$ 22,918</b>	<b>\$ 22,955</b>	<b>\$ 22,993</b>



## Program Funding Summary

	(Dollar Amounts in Thousands)						
	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 146,099	\$ 184,987	\$ 276,940	\$ 237,072	\$ 239,440	\$ 241,655	\$ 244,335
SPECIAL FUNDS.....	4,226	4,272	4,998	5,110	5,212	5,316	5,422
FEDERAL FUNDS.....	71,621	118,360	120,760	120,551	120,555	120,559	120,564
OTHER FUNDS.....	375,506	413,361	402,821	410,586	418,510	426,588	434,831
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 597,452</b>	<b>\$ 720,980</b>	<b>\$ 805,519</b>	<b>\$ 773,319</b>	<b>\$ 783,717</b>	<b>\$ 794,118</b>	<b>\$ 805,152</b>



*PROGRAM OBJECTIVE: To provide an effective administrative system through which the substantive programs of the Commonwealth can be achieved.*

## Program: Executive Direction

The Executive Direction Program provides administrative support and policy direction for implementing, maintaining and monitoring the substantive programs of the Commonwealth.

### **Program Element: Administration**

The Office of Administration (OA) provides policy direction and administrative support. Centralized personnel services ensure equity by maintaining the classification, pay, benefits and workers compensation 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. OA is also responsible for 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 administers 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. The program involves an established referral, evaluation and treatment process and intervention when there are critical incidents.

Also, OA conducts the AIDS Education Program which provides and coordinates basic, advanced and specialized education to all Commonwealth employees on HIV/AIDS and other infectious diseases.

OA is responsible for developing and promulgating Statewide policies and standards governing the management and use of the Commonwealth's information technology (IT) investments. These responsibilities are carried out through the Office for Information Technology (OIT) which is comprised of four organizational units: the Commonwealth Technology Center, the Bureau of Consolidated Computer Services, the Bureau of Desktop Technology, and the Office for IT Planning and Support.

The Commonwealth Technology Center is responsible for providing direction and support for the Commonwealth in three areas: enterprise application development, enterprise IT support operations, and oversight for special enterprise-wide projects. The center develops and maintains the Commonwealth's central administrative applications; provides direction and overall coordination for the Commonwealth's Year 2000 effort; provides management support for enterprise disaster recovery planning and IT security; plans and manages the

Commonwealth's data networks, wide area networks (WANs), Metropolitan Area Network (MAN), and cable television (CATV) resources; develops Statewide telecommunications policy; manages the OA's video conferencing facilities; and coordinates the development of Statewide IT contracts.

The Bureau of Consolidated Computer Services was created to implement the outsourcing of 18 agency data centers and to manage the service, performance and financial requirements of the outsourcing contracts. This bureau is responsible for ensuring customer service meets established benchmarks, developing methods for agency charge backs, measuring and reporting on contract compliance, overseeing data center outsource contract(s), providing Level Two technical support to agencies, and planning changes for capacity requirements.

The Bureau of Desktop Technology is responsible for developing and implementing an IT modernization plan to re-invest savings from the Commonwealth's outsourcing initiative into an enterprise-wide expansion of desktop computing and network-based technology. This bureau's responsibilities encompass policy, planning and operational areas, including: enterprise-wide IT asset tracking; developing programs to reduce total cost of IT ownership; reviewing major agency IT initiatives through the OA's Investment Review Program; developing, implementing and coordinating enterprise-wide IT education programs; managing OA Internet/Intranet applications; managing OA networks and providing technical support to end-users; supporting enterprise client/server applications; and providing consulting services to Commonwealth agencies on client/server, UNIX, LAN and desktop technologies.

**Commonwealth Connect** is Pennsylvania State Government's enterprise-wide initiative to establish software standards for desktop computing and establish an e-mail network that will provide a consistent and reliable platform for State agency communication and collaboration. As of November 1999, 15 agencies with over 3,000 users have migrated to Commonwealth Connect.

The Office for IT Planning and Support is responsible for identifying new enterprise IT initiatives that can bring significant return on investments and benefits to State Government and its customers. It serves as the catalyst for bringing the appropriate agencies together and getting the projects started, and; continues to play a facilitation and supportive role until the effort reaches a level of management sustainability. This office is also responsible for the overall management of enterprise IT policies developed by the OIT's other bureaus and Centers for Technology Excellence.



## Program: Executive Direction (continued)

### **Program Element: Fraud Detection and Prevention**

The purpose of the Office of Inspector General is to detect, deter, prevent and eradicate fraud and waste of State resources, and misconduct by State employees; keep the Governor fully informed of problems and deficiencies in executive agencies; and help ensure that executive agencies operate efficiently, with integrity, and in accordance with applicable laws and regulations. The Office of Inspector General is designed to maintain public confidence, integrity, and efficiency in State Government.

The Office of Welfare Fraud Investigations and Recovery Management, within the Office of Inspector General, is responsible for conducting investigations into suspected welfare fraud and abuse as well as performing collection activities for welfare programs administered by the Department of Public Welfare. The collection activities involve the recovery of benefits provided due to clerical errors, omissions or inaccurate information supplied by applicants, and in the case of medical assistance, charges for services exceeding allowable amounts. In addition, the Office of Inspector General recovers the costs of benefits provided to recipients who are eligible for Supplemental Security Income, tort recoveries, employment compensation, workers' compensation, and veterans' benefits.

### **Program Element: Commonwealth Budget and Accounting**

The Office of the Budget assists the Governor in formulating fiscal policies and procedures, and in preparing the Commonwealth Budget for delivery to the General Assembly. The establishment of authorized complement levels for those agencies within the scope of authority of the Governor is the responsibility of the Office of the Budget. The office also prepares fiscal notes and reviews proposed regulations as mandated by Act 149 of 1978.

In addition, the Office of the Budget provides accounting, auditing and financial advisory and supportive services to all Commonwealth agencies and is responsible for maintenance of the ICS accounting system.

### **Program Element: Rural Development**

The Rural Development Council is responsible for the development and implementation of plans that integrate

private expertise and Federal, State and local government efforts for the promotion of rural development in Pennsylvania. Activities are: assessing Pennsylvania's rural development needs, identifying the State's various available resources and compiling and analyzing data to produce insights into rural development.

### **Program Element: Public Employee Pensions**

The Public Employee Retirement Commission, in accordance with Act 66 of 1981 and Act 205 of 1984, provides an ongoing mechanism to monitor public employee retirement plans in the Commonwealth. The commission also is mandated to provide financial analyses to the General Assembly and the Governor in conjunction with their consideration of public pension legislation.

### **Program Element: Medical Malpractice**

The Health Care Services Malpractice Act of 1975 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. Act 135 of 1996 amended the original legislation to increase the mandated basic insurance coverage for those policies issued or renewed in calendar years 2000 and beyond. For 2000, basic coverage will increase to \$400,000 per occurrence for individuals and hospitals, \$1,200,000 per annual aggregate for individuals and \$2,000,000 for hospitals. For policies issued or renewed in calendar year 2001 and beyond, coverage shall increase to \$500,000 per occurrence for individuals and hospitals, \$1,500,000 per annual aggregate for individuals and \$2,500,000 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.

## **Program Recommendations:**

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p><b>GENERAL FUND</b></p> <p><b>Office of Administration</b></p> <p>\$ 170 — to continue current program.</p> <p><b>Medicare Part B Penalties</b></p> <p>\$ -10 — to continue current program based on the latest enrollment projection.</p>	<p><b>Information Communication</b></p> <p>— PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides equipment, communications facility infrastructure improvements and e-business software and support systems necessary for integrated communications network management. See the Program Revision following this program for additional information.</p>
---	---



**Program: Executive Direction (continued)**

**Program Recommendations: (continued)** This budget recommends the following changes: (Dollar Amounts in Thousands)

\$	16,388	<p><b>Technology Investment Program</b>                      — PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides for special enterprise-wide project, desktop computing and network administration and any additional Year 2000 remediation. See the Program Revision following this program for additional information.</p>	\$	10,334	<p><b>Integrated Criminal Justice System</b>                      — PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides for continued development, maintenance and administrative support of the integrated criminal justice network. See the Program Revision following this program for additional information.</p>
	600	<p>— Initiative — Soils Survey. For a geospatial data soils survey to develop a soils database.</p>		1,685	<p>— PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides for the continued development, maintenance and upgrade of the juvenile tracking system. See the Program Revision following this program for additional information.</p>
	-26,433	<p>— nonrecurring projects including Y2K related activities.</p>		-9,288	<p>— nonrecurring Integrated Criminal Justice System development projects.</p>
	-9,445	<i>Appropriation Decrease</i>		2,731	<i>Appropriation Increase</i>
\$	4,509	<p><b>Commonwealth Technology Services</b>                      — to continue current program.</p>	\$	435	<p><b>Office of Inspector General</b>                      — to continue current program.</p>
	859	<p>— PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides administrative and operational support for the Statewide Public Safety Radio System. See the Program Revision following this program for additional information.</p>		138	<p><b>Inspector General - Welfare Fraud</b>                      — to continue current program.</p>
	5,368	<i>Appropriation Increase</i>		311	<p>— Initiative — Expansion of Front-End Welfare Fraud Investigations. To provide administrative resources to enhance welfare fraud investigations at County Assistance Offices throughout the Commonwealth.</p>
\$	20,000	<p><b>Electronic Government</b>                      — PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides for the redesign of the Commonwealth's website to enable businesses, local governments and citizens to participate in the benefits of electronic government applications. See the Program Revision following this program for additional information.</p>	\$	449	<i>Appropriation Increase</i>
				882	<p><b>Office of the Budget</b>                      — to continue current program.</p>
				-75	<p><b>Audit of the Auditor General</b>                      — triennial audit of the Department of the Auditor General.</p>
\$	2,655	<p><b>Communications Management</b>                      — PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides administrative support for a new communications office that will oversee implementation of an integrated communications network and coordinate communications policy. See the Program Revision following this program for additional information.</p>	\$	-1,303	<p><b>General Salary Increase</b>                      — nonrecurring appropriation.</p>
				5	<p><b>Rural Development Council</b>                      — to continue current program.</p>
				11	<p><b>Public Employee Retirement Commission</b>                      — to continue current program.</p>
				-7,000	<p><b>National Convention &amp; Conferences</b>                      — nonrecurring costs related to national convention to be held in Pennsylvania.</p>
\$	35,408	<p><b>Integrated Management Systems</b>                      — PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides administrative support and consulting and systems development services to redesign and integrate the Commonwealth's administrative systems. See the Program Revision following this program for additional information.</p>	\$	114	<p><b>MOTOR LICENSE FUND</b>  <b>Office of the Budget</b>                      — to continue current program.</p>



**Program: Executive Direction (continued)**

**Program Recommendations: (continued)**

This budget recommends the following changes: (Dollar Amounts in Thousands)

**Statewide Public Safety Radio System**  
 \$ 612 — PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides administrative and operational support for the Statewide Public Safety Radio System. See the Program Revision following this program for additional information.

In addition, the Enhancing Information Technology to Better Serve Pennsylvania Program Revision following this program also recommends \$189,000 in augmentations to provide administrative support for the Statewide Public Safety Radio System.

In addition, the Enhancement of Front-End Welfare Fraud Investigations Initiative within this program recommends \$216,000 in Federal funds to provide administrative support to the Inspector General-Welfare Fraud.

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Office of Administration .....	\$ 7,783	\$ 8,115	\$ 8,285	\$ 8,451	\$ 8,620	\$ 8,792	\$ 8,968
Medicare Part B Penalties .....	439	470	460	460	460	460	460
Information Communication .....	0	0	24,000	0	0	0	0
Technology Investment Program .....	20,051	26,433	16,988	14,491	14,749	14,412	14,680
Commonwealth Technology Services .....	2,524	6,441	11,809	12,047	12,288	12,534	12,784
Electronic Government .....	0	0	20,000	10,000	10,000	10,000	10,000
Communications Management .....	0	0	2,655	2,714	2,775	2,837	2,901
Integrated Management Systems .....	0	0	35,408	35,728	36,060	36,405	36,505
Integrated Criminal Justice System .....	9,050	9,288	12,019	10,541	10,752	10,967	11,186
Office of Inspector General .....	2,281	2,434	2,869	2,926	2,985	3,045	3,106
Inspector General - Welfare Fraud .....	10,398	10,988	11,437	11,687	11,920	12,159	12,402
Office of the Budget .....	27,609	29,902	30,784	31,400	32,028	32,669	33,322
Audit of the Auditor General .....	0	75	0	0	100	0	0
General Salary Increase .....	0	1,303	0	0	0	0	0
Rural Development Council .....	108	178	183	187	191	195	199
Public Employees Retirement Commission .....	617	643	654	667	680	694	708
National Convention and Conferences .....	0	7,000	0	0	0	0	0
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 80,860</b>	<b>\$ 103,270</b>	<b>\$ 177,551</b>	<b>\$ 141,299</b>	<b>\$ 143,608</b>	<b>\$ 145,169</b>	<b>\$ 147,221</b>
<b>LOTTERY FUND:</b>							
Ridership Verification .....	\$ 133	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>MOTOR LICENSE FUND:</b>							
Office of the Budget .....	\$ 4,093	\$ 4,272	\$ 4,386	\$ 4,474	\$ 4,563	\$ 4,654	\$ 4,747
Statewide Public Safety Radio System .....	0	0	612	636	649	662	675
<b>TOTAL MOTOR LICENSE FUND .....</b>	<b>\$ 4,093</b>	<b>\$ 4,272</b>	<b>\$ 4,998</b>	<b>\$ 5,110</b>	<b>\$ 5,212</b>	<b>\$ 5,316</b>	<b>\$ 5,422</b>





## **Program Revision: Enhancing Information Technology to Better Serve Pennsylvania**

At the beginning of the new millennium, a new era of information technology promises opportunity, efficiency and enhanced service delivery that will benefit consumers as well as producers. The Commonwealth has long supported utilizing information technology advances to increase the efficiency and effectiveness of service delivery in both the public and the private sectors. This Program Revision builds upon previous Commonwealth investments in information technology by implementing an Incident Information Management System, enhancing the Justice Network, developing enterprise-wide information technology and implementing the operational phase of the Statewide Public Safety Radio System. As in the private sector, these advances offer the Commonwealth opportunity for increased administrative efficiency while providing for new and enhanced service delivery.

### **Criminal Justice Information Technology**

The ability of criminal justice agencies to collect, verify and share data is crucial to effective law enforcement, as well as evaluating strategies to fight crime. This Program Revision recommends \$17.7 million in General and Motor License funds for the continued development and implementation of the State Police Incident Information Management System (IIMS). This system will provide the State Police with enhanced information technology communications, data sharing, scheduling and document tracking capabilities. The IIMS project will also support activities to maintain, access and exchange information among law enforcement agencies, local criminal justice agencies and the public. Funding will support acquisition of mobile workstations that will enable troopers to enter data on crime or traffic incidents from a remote site or from their patrol vehicles, thereby saving significant administrative time that can be used for law enforcement functions. Funding also supports the automation of evidence and property handling and ensures uncompromised security by providing an electronic audit trail of all evidence and property logged during criminal investigations.

This Program Revision recommends \$10.3 million to continue implementation of the Integrated Criminal Justice Network (JNET) project which will enable State and local criminal justice agencies to share time-sensitive information necessary to support criminal justice functions, eliminate duplicate activities and increase employee productivity. Funding is provided to expand implementation and for additional enhancements to inter-agency case file transfers, timely court disposition reporting and digital mug shot availability. Funding is also provided to integrate JNET with the State Police's Commonwealth Law Enforcement Assistance Network (CLEAN) and implement a data quality assurance protocol to identify and correct conflicting data.

In conjunction with the JNET project, the Juvenile Court Judges Commission has been overseeing the development of a juvenile tracking system designed to provide up-to-date information on juvenile offenders to juvenile justice and law enforcement agencies throughout the Commonwealth. The goal of the juvenile tracking system is to provide accurate and timely juvenile delinquency information to the Pennsylvania State Police Criminal History Data Base, enabling authorized users such as the State Police, local law enforcement agencies, the courts and juvenile probation authorities to share pertinent juvenile information via JNET, and providing county juvenile delinquency data directly to the Juvenile Court Judges Commission for statistical processing on a regular basis. This Program Revision recommends \$1.7 million for the continued development, maintenance and upgrade of the juvenile tracking system, including the implementation of the juvenile tracking system and its connection to JNET in six additional counties.

### **Enterprise-wide Information Technology**

This Program Revision provides \$98.4 million for enterprise-wide information technology (IT) projects that will impact a broad spectrum of the Commonwealth's business functions. Enterprise-wide initiatives will address the continued assessment, expansion, improvement and management of the Commonwealth's IT infrastructure, including an integrated administrative software suite, communications network, electronic government applications and desktop computing and network administration.

In order to take advantage of the latest technology and provide a framework within which immediate and long-term needs for new and upgraded functionality can be met for the Commonwealth's administrative systems, \$35.4 million is recommended to develop an integrated management system and provide administrative and operational support for the system. This system will integrate accounting, budgeting, payroll, personnel and procurement functions. This project provides the opportunity to undertake business process reengineering using "best known practices" to ultimately have in place a fully integrated administrative system which supports effective and efficient resource management for all agencies under the Governor's jurisdiction.

The Commonwealth will also conduct the most comprehensive and complete upgrade of its information communication services in its history by seeking new and innovative solutions that provide reliable and cost-effective integrated communications services. This Program Revision recommends \$24 million for equipment, communications facility infrastructure improvements, e-business software



## Program Revision: Enhancing Information Technology to Better Serve Pennsylvania (continued)

and administrative support systems necessary for integrated communications network management. In addition, this Program Revision provides \$2.6 million for administrative support of a new communications office that will oversee implementation of the upgraded information communications network and coordinate information communications policy for the Commonwealth.

This Program Revision also provides \$10 million in funding to expand and redesign the Commonwealth's internet website which will enable businesses, local governments, Commonwealth agencies and citizens to experience the benefits of electronic government applications. The redesign will begin in January 2000 but will expand to include applications to assist small to medium-sized businesses become e-commerce ready and to develop an improved marketplace for Pennsylvania-based products on the internet. Enhanced internet opportunities for Pennsylvania's local governments will also be developed and available through this portal. An additional \$10 million is provided for e-government applications based in electronic commerce methodology and made available for local governments to use in providing web-based services to their residents. This will enable local governments, without incurring additional costs for technical hardware or expertise, to develop their own websites.

This Program Revision also provides \$16.4 million for various enterprise-wide information technology projects. These projects include the acquisition of desktop computing and network administration software that will facilitate the management and control of desktop technology and network

security, data center transition costs, programs to enhance Commonwealth competitiveness in attracting and retaining qualified personnel and remediation of any remaining Year 2000 compliance issues.

### Statewide Public Safety Radio System

The Statewide Public Safety Radio System will establish a single, unified, wireless communications system for all Commonwealth agencies. This initiative replaces disparate, stand-alone systems that are incapable of inter-agency communication with a high-capacity, compatible, digital radio network. Users of this radio system will share operational resources as well as operating costs allowing the Commonwealth to reduce costs by avoiding duplicate facilities and maintenance contracts. A fifteen-month phase-in will begin during March of 2000. This Program Revision recommends over \$44.7 million to the Office of the Attorney General, the Historical and Museum Commission, the Emergency Management Agency and the Departments of Conservation and Natural Resources, Corrections, Environmental Protection, State Police and Transportation for base stations and mobile and portable equipment to begin radio system operations. Operations will begin in the southeastern region of the Commonwealth. In addition, this Program Revision provides \$1.5 million in General and Motor License funds for administrative and operational support of a new radio system office that will provide technical support for the operation of the Statewide Public Safety Radio System.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Agencies participating in JNET</b>							
Current .....	10	10	10	10	10	10	10
Program Revision .....	10	10	12	14	17	17	17
<b>JNET user population</b>							
Current .....	0	140	140	140	140	140	140
Program Revision .....	0	140	500	1,625	2,750	3,875	5,000
<b>Local agencies participating in JNET</b>							
Current .....	0	2	2	2	2	2	2
Program Revision .....	0	2	9	23	38	52	67
<b>Counties covered by the Statewide Radio System</b>							
Current .....	0	22	22	22	22	22	22
Program Revision .....	0	22	67	67	67	67	67



## Program Revision: Enhancing Information Technology to Better Serve Pennsylvania (continued)

**Program Revision Recommendations:** This budget recommends the following changes: (Dollar Amounts in Thousands)

	<b>GENERAL FUND</b>		<b>EMERGENCY MANAGEMENT AGENCY</b>
	<b>EXECUTIVE OFFICES</b>		<b>Information Systems Management</b>
\$ 24,000	<b>Information Communication</b>	\$ 1,600	— to provide agency communications equipment for participation in the Statewide Public Safety Radio System.
	— to provide an enhanced, integrated telecommunications network.		
\$ 16,388	<b>Technology Investment Program</b>		
	— for enterprise-wide information technology projects.	\$ 1,051	<b>ENVIRONMENTAL PROTECTION</b>
			<b>Environmental Program Operations</b>
\$ 859	<b>Commonwealth Technology Services</b>		— to provide agency communications equipment for participation in the Statewide Public Safety Radio System.
	— to provide administrative support for the Statewide Public Safety Radio System.		
\$ 20,000	<b>Electronic Government</b>		<b>HISTORICAL AND MUSEUM COMMISSION</b>
	— to provide administrative support and electronic government solutions.	\$ 318	<b>General Government Operations</b>
			— to provide agency communications equipment for participation in the Statewide Public Safety Radio System.
\$ 2,655	<b>Communications Management</b>		
	— to provide administrative support for a new communications office that will be the central point of contact for telecommunications issues.		<b>STATE POLICE</b>
		\$ 4,795	<b>General Government Operations</b>
\$ 35,408	<b>Integrated Management Systems</b>		— to provide agency communications equipment for participation in the Statewide Public Safety Radio System.
	— to provide administrative support and an integrated software suite for Commonwealth administrative functions.		
		\$ 5,651	<b>CLEAN System</b>
\$ 10,334	<b>Integrated Criminal Justice Network</b>		— to implement the Incident Information Management System.
	— for continued development, maintenance and administrative support of the integrated criminal justice network.		
1,685	— for the continued development, maintenance and upgrade of the juvenile tracking system.		<b>MOTOR LICENSE FUND</b>
\$ 12,019	<i>Appropriation Total</i>	\$ 612	<b>EXECUTIVE OFFICES</b>
			<b>Statewide Public Safety Radio System</b>
			— to provide administrative support for the Statewide Public Safety Radio System.
	<b>ATTORNEY GENERAL</b>		<b>STATE POLICE</b>
\$ 668	<b>Statewide Radio System</b>	\$ 10,191	<b>General Government Operations</b>
	— to provide agency communications equipment for participation in the Statewide Public Safety Radio System.		— to provide agency communications equipment for participation in the Statewide Public Safety Radio System.
	<b>CONSERVATION AND NATURAL RESOURCES</b>	\$ 12,008	<b>CLEAN System</b>
	<b>General Government Operations</b>		— to implement the Incident Information Management System.
\$ 16,025	— to provide agency communications equipment for participation in the Statewide Public Safety Radio System.		
			<b>TRANSPORTATION</b>
	<b>CORRECTIONS</b>		<b>Highway Maintenance</b>
\$ 2,001	<b>State Correctional Institutions</b>	\$ 8,017	— to provide agency communications equipment for participation in the Statewide Public Safety Radio System.
	— to provide agency communications equipment for participation in the Statewide Public Safety Radio System.	\$ 174,266	<i>Program Revision Total</i>

In addition, this budget also recommends \$189,000 in augmentations to the Executive Offices to provide administrative support for the Statewide Public Safety Radio System.



# Executive Offices

## Program Revision: Enhancing Information Technology to Better Serve Pennsylvania (continued)

### Recommended Program Revision Costs by Appropriation:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
<b>Executive Offices</b>							
Information Communication .....	\$ 0	\$ 0	\$ 24,000	\$ 0	\$ 0	\$ 0	\$ 0
Technology Investment Program .....	0	0	16,388	12,891	13,149	13,412	13,680
Commonwealth Technology Services .....	0	0	859	878	896	914	932
Electronic Government .....	0	0	20,000	10,000	10,000	10,000	10,000
Communications Management .....	0	0	2,655	2,714	2,775	2,837	2,901
Integrated Management Systems .....	0	0	35,408	35,728	36,060	36,405	36,505
Integrated Criminal Justice System .....	0	0	12,019	10,541	10,752	10,967	11,186
<b>Attorney General</b>							
Statewide Radio System .....	0	0	668	0	0	0	0
<b>Conservation and Natural Resources</b>							
General Government Operations .....	0	0	16,025	0	0	0	0
<b>Corrections</b>							
State Correctional Institutions .....	0	0	2,001	0	0	0	0
<b>Emergency Management Agency</b>							
Information Systems Management .....	0	0	1,600	170	170	170	170
<b>Environmental Protection</b>							
Environmental Protection Operations .....	0	0	1,051	0	0	0	0
<b>Historical and Museum Commission</b>							
General Government Operations .....	0	0	318	0	0	0	0
<b>State Police</b>							
General Government Operations .....	0	0	4,795	5,796	1,176	0	0
CLEAN System .....	0	0	5,651	5,764	5,879	5,997	6,117
<b>GENERAL FUND TOTAL</b> .....	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 143,438</b>	<b>\$ 85,482</b>	<b>\$ 81,857</b>	<b>\$ 81,702</b>	<b>\$ 82,491</b>
<b>MOTOR LICENSE FUND:</b>							
<b>Executive Offices</b>							
Statewide Public Safety Radio System .....	\$ 0	\$ 0	\$ 612	\$ 636	\$ 649	\$ 662	\$ 675
<b>State Police</b>							
General Government Operations .....	0	0	10,191	12,315	2,499	0	0
CLEAN System .....	0	0	12,008	12,248	12,493	12,743	12,998
<b>Transportation</b>							
Highway Maintenance .....	0	0	8,017	7,512	0	0	0
<b>MOTOR LICENSE FUND TOTAL</b> .....	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 32,711</b>	<b>\$ 25,199</b>	<b>\$ 15,641</b>	<b>\$ 13,405</b>	<b>\$ 13,673</b>

*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 was created by Act 164 of 1980. The General Counsel serves as the chief legal advisor to the Governor and has the responsibility to appoint deputy general counsel, the chief counsel and assistant counsel in each Executive Branch 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 requests. The General Counsel administers the operations of the Juvenile Court Judges Commission and 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)

	<b>Office of General Counsel</b>	
\$ 33	—to continue current program.	
3,419	—Initiative — Case Management System. To develop and implement an intranet-based litigation management software system and to provide resources for a specialized litigation unit.	
<hr/>		
\$ 3,452	<i>Appropriation Increase</i>	

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Office of General Counsel .....	\$ 3,194	\$ 3,337	\$ 6,789	\$ 3,739	\$ 3,814	\$ 3,890	\$ 3,968
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>



**PROGRAM OBJECTIVE:** *To insure equal opportunities and participation for all individuals regardless of race, religion, color, creed, handicap or disability, ancestry, national origin, familial status, age or sex in all areas of employment, housing, credit, commercial property, public accommodations and education.*

## Program: Prevention and Elimination of Discriminatory Practices

The Human Relations Commission is responsible for identifying, preventing and eliminating illegal discriminatory practices as defined by the Pennsylvania Human Relations Act and the Pennsylvania Fair Educational Opportunities Act. The two principal methods 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 and local government and community leaders on appropriate responses. The commission is also involved with major outreach programs to provide information to community leaders and public officials regarding the Pennsylvania Human Relations Act and its procedures.

The commission, in conjunction with the Pennsylvania Department of Education, is working with several urban school districts to improve the educational achievement of minority and disadvantaged students.

Federal funds are received for investigating complaints which are dual filed with the commission and with the Equal Employment Opportunity Commission or the U.S. Department of Housing and Urban Development.

The commission's efforts to identify and remedy systemic discrimination continue in order to address the major problems of discrimination against whole classes of individuals. In addition, litigation remains a significant feature of the commission's workload.

The Latino Affairs Commission functions as an advocate for the Latino community. The commission advises the Governor on policies, procedures, legislation and regulations that impact upon the Latino community. The commission also assists Latino individuals in making the most of their talents and capabilities, and works with local Latino communities in developing strategies and programs that enhance their social and economic status.

The 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 commission disseminates information through publication of periodicals, handbooks or checklists on specific subjects; 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.

The African American Affairs Commission functions as the Commonwealth's advocate for the African American community. The commission advises the Governor and legislative caucuses on policies, procedures, legislation and regulations that impact upon the African American community.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Human Relations Commission:</b>							
<b>Formal complaint investigation:</b>							
Complaints pending at beginning of year ....	10,026	9,669	9,329	8,969	8,169	7,289	6,409
New complaints filed .....	6,544	6,560	6,600	6,700	6,800	6,800	6,800
Complaints closed .....	6,901	6,900	6,960	7,500	7,680	7,680	7,680
Complaints pending at end of year .....	9,669	9,329	8,969	8,169	7,289	6,409	5,529
Informal complaints received .....	44,024	44,000	44,000	44,000	44,000	44,000	44,000

Complaints closed increase and complaints pending at the end of the year decrease from the projections shown in last year's budget due to increased efficiency in processing complaints.

Informal complaints increase from the projections shown in last year's budget because of increased awareness of the help available from the commission.

## Program: Prevention and Elimination of Discriminatory Practices (continued)

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 502 -500  1,790  <hr style="width: 50px; margin-left: 0;"/> \$ 1,792	<b>Human Relations Commission</b> —to continue current program. —nonrecurring design and development costs related to the Case Tracking and Management System project. —Initiative—Case Tracking and Management System. To implement an agency-wide case processing, management, and tracking system for the investigation of complaints.  <i>Appropriation Increase</i>	\$ 6   \$ 4	<b>Latino Affairs Commission</b> —to continue current program.  <b>Commission for Women</b> —to continue current program.
--	---	----------------------	---

Funding for African American Affairs Commission is recommended at the current level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Human Relations Commission .....	\$ 9,660	\$ 10,147	\$ 11,939	\$ 10,993	\$ 10,662	\$ 10,918	\$ 11,141
Latino Affairs Commission .....	207	216	222	226	231	236	241
African American Affairs Commission .....	336	351	351	358	365	372	379
Commission for Women .....	243	270	274	279	285	291	297
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 10,446</b>	<b>\$ 10,984</b>	<b>\$ 12,786</b>	<b>\$ 11,856</b>	<b>\$ 11,543</b>	<b>\$ 11,817</b>	<b>\$ 12,058</b>



**PROGRAM OBJECTIVE:** To increase public exposure to quality artistic and cultural programs and to stimulate a climate that offers opportunities and encouragement to artists.

## Program: Development of Artists and Audiences

The Commonwealth encourages cultural development in the arts through the Pennsylvania Council on the Arts. The 19 member council supports the arts through a grant program, service programs, and community organizations. The organizations and artists served are geographically, culturally and ethnically diverse and range from small community organizations that engender and support local arts programs to world-renowned orchestras, museums, dance companies, theatres and festivals.

The council functions with 17 advisory panels, each chaired by a council member and composed of nine or ten professional in each program area such as: dance, folklore, music, etc. These peer review panels review program structures and recommend needed changes in policy and procedures.

The council supports and assists the arts in the Commonwealth in two specific areas: 1) a grant program that responds to applications and program initiatives that address issues that are beyond the capacity of a single arts institution, and; 2) staff services and technical assistance to arts and community organizations. The first involves direct expenditure of grant funds. The second 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 support nonprofit arts organizations specific arts projects, and for artistic development. The grant program also funds the Minority Arts Program that encourages minority, traditional and ethnic artists and ensembles to participate in the arts.

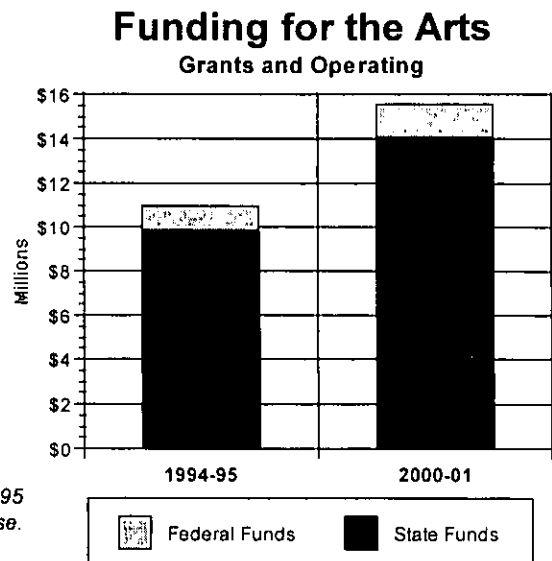
<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Site visits and consultations .....	2,500	2,500	2,600	2,700	2,800	2,900	3,000
Grant applications reviewed .....	2,434	2,500	3,000	3,100	3,150	3,200	3,250
Awards made .....	1,370	1,380	1,390	1,400	1,410	1,420	1,430

Attendance at supported events is estimated at 38,000,000 annually. Artists participating in projects are estimated at 124,000 annually.

Grant applications reviewed decrease from the projections shown in last year's budget as a result of development of partnerships with outside arts groups that preview applications and forward the best applications to the Council for their consideration. Therefore, the Council has fewer grant applications to review.

### Program Recommendations: This budget recommends the following changes: (Dollar Amounts in Thousands)

- \$ 23 **Council on the Arts**  
— to continue current program.
- \$ 1,000 **Grants to the Arts**  
— to continue current grant program.



Funding for the arts has increased since 1994-95 from \$11.0 million to \$15.4 million, a 40% increase.



**Program: Development of Artists and Audiences (continued)**

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Council on the Arts .....	\$ 999	\$ 1,023	\$ 1,046	\$ 1,067	\$ 1,088	\$ 1,110	\$ 1,132
Grants to the Arts .....	10,600	12,000	13,000	13,000	13,000	13,000	13,000
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 11,599</b>	<b>\$ 13,023</b>	<b>\$ 14,046</b>	<b>\$ 14,067</b>	<b>\$ 14,088</b>	<b>\$ 14,110</b>	<b>\$ 14,132</b>



*PROGRAM OBJECTIVE: To provide criminal and juvenile justice system policy analysis, coordination and planning to improve criminal justice programs.*

## Program: Criminal and Juvenile Justice Planning and Coordination

### **Program Element: Planning and Coordination**

The Pennsylvania Commission on Crime and Delinquency (PCCD) assists the criminal justice system by providing system-wide 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 non-commission 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.

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 an evaluation 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 that provides policymakers with accurate projections of the Commonwealth's correctional population and conducts policy impact analysis. In the area of criminal justice record information, PCCD coordinates a multidisciplinary committee that analyzes criminal justice information and develops and implements strategies to improve the quality of the information.

The commission is the designated State agency to administer the Federal Violence Against Women Act of 1994. The program provides funding to Pennsylvania to develop a coordinated and integrated approach to improving the criminal justice system's response to violence against women.

Under the guidance of its gubernatorially appointed Juvenile 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, as well as the Juvenile Accountability Incentive Block Grant program.

The commission provides training and technical assistance to county prison boards and local officials through the County Intermediate Punishment Act. This act provided counties with opportunities to develop various intermediate punishment programs for nonviolent offenders to alleviate overcrowding in the county prisons. The Commission also administers a program to support drug and alcohol assessment, evaluation and treatment services related to this program.

Through the use of Federal Drug Control and System Improvement (DCSI) formula grant funds administered by PCCD, State and local units of government receive start-up monies for projects to improve the justice system. Major priorities for new local projects include juvenile justice initiatives; community-based criminal justice initiatives; corrections; community-based planning initiatives; new and expanded criminal justice automation efforts; comprehensive victim services; training; and emerging opportunities and demonstrations.

PCCD administers a basic and continuing training program for deputy sheriffs that is financed through a surcharge on fees levied by the sheriffs for legal services executed. The 160 hour basic training school provides instruction to deputy sheriffs and provides for continuing education at regular intervals. Under Act 10 of 1998, the commission will conduct a training needs analysis process to expand and enhance training for deputy sheriffs. Similarly, PCCD provides basic and continuing education for constables. The 80 hour basic and 40 hour annual continuing education training is supported through a surcharge on constable services.

PCCD provides Statewide training and technical assistance for law enforcement personnel to implement community-based crime reduction strategies; coordinates Statewide efforts promoting law enforcement's involvement in policing practices, 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.

The commission administers the Federal Residential Substance Abuse Treatment Program of the Violent Crime Control and Law Enforcement Act of 1994. This program provides funding to develop and implement residential substance abuse treatment programs within state and local correctional facilities in which prisoners are incarcerated for a period of time sufficient to permit substance abuse treatment.



## Program: Criminal and Juvenile Justice Planning and Coordination (continued)

PCCD administers Federal funds from the Violent Offender Incarceration/Truth-In-Sentencing Incentive Grant Program of the Violent Crime Control and Law Enforcement Act of 1994, which provides funding to build or expand correctional facilities to increase the capacity for the confinement of violent offenders for the purpose of freeing up space for violent offenders.

The commission also administers the Governor's portion of the Local Law Enforcement Block Grant (LLEBG) Program that provides support to local jurisdictions that by formula do not qualify for a direct LLEBG allocation. Funding is also granted to the State Police that provides services to those jurisdictions.

PCCD provides administrative support for the Governor's Community Partnership for Safe Children, which seeks to reduce youth violence by facilitating public/private partnerships among State Government, educators, business and community leaders, clergy and parents. Similar support is provided to the Weed and Seed Program that assists communities in which high levels of crime, especially drug crime, have severely undermined the quality of life.

### Program Element: Victim Services

PCCD uses county-based policy boards to define local victim service needs and develop cost-effective victim/witness service strategies. Technical and financial assistance is provided to community-based organizations and district attorney offices in all 67 counties to support comprehensive service to victims of all violent 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 as amended by Act 155 of 1992 and the Federal Victims of Crime Act of 1984. The commission also administers the formula grant, Title V and State Challenge Activities components of the Federal Juvenile Justice and Delinquency Prevention Act of 1974. In addition, the new Victims of Juvenile Offenders Program will support community-based services to assist victims of juvenile offenders.

The Crime Victims Compensation Program was created by Act 139 of 1976 to ameliorate the financial burden faced by victims of crime. The Bureau of Victim Services is responsible for the administration of the program. 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 bureau is required to verify all aspects of each claim prior to payment.

Payments to victims are disbursed from a restricted revenue account that receives its funding from the collection of costs assessed against certain offenders who are convicted. Payment funds are also provided by 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.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Planning and Coordination</b>							
Persons attending crime prevention course and inservice instructors' workshop .....	200	200	200	200	200	200	200
Communities implementing risk-focused juvenile delinquency prevention programs ..	33	57	77	91	121	143	165
New law enforcement officers certified as drug education and law enforcement .....	149	170	170	170	170	170	170
New deputy sheriffs certified through completion of training .....	217	192	192	192	192	192	192
<b>Victim Services</b>							
<b>Crime Victims Compensation:</b>							
New claims received, reviewed and accepted .....	2,556	3,067	3,373	3,710	4,081	4,200	4,300
Claims paid .....	1,754	2,104	2,314	2,545	2,800	3,080	3,335
Claims pending additional information, denied or closed without payment .....	733	750	760	770	780	790	790
Claims reopened for additional losses .....	658	680	690	700	710	720	730

The average Crime Victim's Compensation program reimbursement per claim in 1998-99 was \$2,974.

New law enforcement officers to be certified as drug education and law enforcement program instructors and new deputy sheriffs certified through completion of training increase from the projections shown in last year's budget due to increased funding.

New claims received, reviewed and accepted and claims paid in 1998-99 decline from the projections shown in last year's budget based on actual experience. Claims pending additional information, denied or closed without payment; and claims reopened for additional losses increase from the projections shown in last year's budget due to increased awareness of the program.



## Program: Criminal and Juvenile Justice Planning and Coordination (continued)

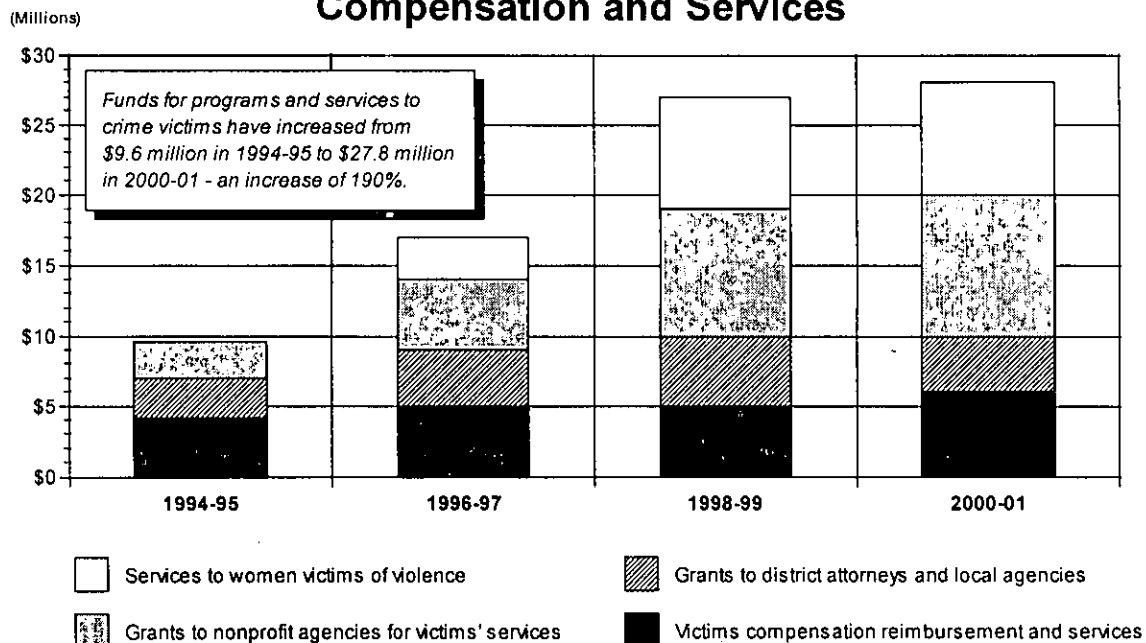
### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p><b>Commission on Crime and Delinquency</b></p> <p>\$ -150 — nonrecurring information systems upgrade.</p> <p>18 — to continue current program.</p> <p>\$ -132 <i>Appropriation Decrease</i></p>	<p><b>Partnership for Safe Children</b></p> <p>\$ 2,130 — PRR — Protecting Public Safety Through Enforcement, Prevention and Rehabilitation. This Program Revision supports the activities of the Governor's Community Partnership for Safe Children, including implementing the Communities That Care assessment and planning process in 18 additional communities as well as an annual recognition conference. See the Program Revision following the Institutionalization of Offenders Program in the Department of Corrections for additional information.</p>	<p><b>State Match for DCSI Subgrants</b></p> <p>\$ 422 — to provide the State match requirements for initial DCSI subgrants awarded to State agencies.</p>	<p><b>Intermediate Punishment - Drug and Alcohol Treatment</b></p> <p>\$ 2,000 — PRR — Protecting Public Safety Through Enforcement, Prevention and Rehabilitation. This Program Revision provides intermediate punishment drug and alcohol abuse treatment programs in seven additional counties. See the Program Revision following the Institutionalization of Offenders Program in the Department of Corrections for additional information.</p>
<p><b>Weed and Seed Program</b></p> <p>\$ 1,156 — PRR — Protecting Public Safety Through Enforcement, Prevention and Rehabilitation. This Program Revision funds juvenile violence prevention programs and litigation efforts against liquor and drug nuisance properties. See the Program Revision following the Institutionalization of Offenders Program in the Department of Corrections for additional information.</p>	<p><b>Communities That Care</b></p> <p>\$ 4,000 — PRR — Protecting Public Safety Through Enforcement, Prevention and Rehabilitation. This Program Revision establishes research-based delinquency and prevention programs in 25 additional communities. See the Program Revision following the Institutionalization of Offenders Program in the Department of Corrections for additional information.</p>	<p>— nonrecurring projects.</p> <p>—90</p> <p>\$ 3,910 <i>Appropriation Increase</i></p>	

All other appropriations are recommended at the current year funding level.

## Crime Victims' Compensation and Services



**Program: Criminal and Juvenile Justice Planning and Coordination (continued)**

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Commission on Crime and Delinquency .....	\$ 6,990	\$ 4,683	\$ 4,551	\$ 4,642	\$ 4,735	\$ 4,830	\$ 4,927
Partnership for Safe Children .....	0	1,000	3,130	3,213	3,277	3,343	3,410
Victims of Juvenile Crime .....	0	3,800	3,800	3,876	3,954	4,033	4,114
Weed and Seed Program .....	0	0	1,156	1,213	1,217	1,222	1,226
State Match for DCSI Subgrants .....	0	1,533	1,955	1,955	1,955	1,955	1,955
Intermediate Punishment Programs .....	5,250	5,331	5,331	5,331	5,331	5,331	5,331
Intermediate Punishment Drug and Alcohol Treatment .....	10,000	11,000	13,000	13,000	13,000	13,000	13,000
Drug Education and Law Enforcement .....	3,919	4,000	4,000	4,000	4,000	4,000	4,000
Communities That Care .....	0	4,090	8,000	8,000	8,000	8,000	8,000
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 26,159</b>	<b>\$ 35,437</b>	<b>\$ 44,923</b>	<b>\$ 45,230</b>	<b>\$ 45,469</b>	<b>\$ 45,714</b>	<b>\$ 45,963</b>



**PROGRAM OBJECTIVE:** *To reduce the recurrence of juvenile delinquency through replacement of criminal behavior with socially acceptable behavior.*

## Program: Reintegration of Juvenile Delinquents

The Juvenile Court Judges Commission (JCJC) is responsible for the development and improvement of juvenile probation services throughout the Commonwealth. These services focus on the provision of balanced attention to the protection of the community, the imposition of accountability for offenses committed and the development of competencies to enable children to become responsible and productive members of the community. The provision of Statewide juvenile justice training, education, research, statistical information, and the development and enhancement of specialized intensive probation and aftercare services for juveniles have significantly improved the quality of service within the Commonwealth's juvenile justice system.

All 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 State funding for juvenile probation services. It supports the commission's major programs including training, education and specialized projects such as the provision of liability insurance and financial support for necessary equipment and software to enable counties to participate in the commission's juvenile probation management information system.

The commission annually sponsors from 40 to 45 state-of-the-art-training programs for juvenile justice practitioners. In addition to the provision of training, the commission, in conjunction with Shippensburg University, provides the support to enable probation officers to receive Master of Science Degrees in the Administration of Justice. As of June 1999, 358 probation officers graduated from this program since its inception in 1982.

The Commission continues to support the Specialized Probation Services program, including school-based probation, community-based probation, intensive probation and aftercare services including assistance for drug and alcohol abuse prevention and treatment. The commission provides support for 461 specialized probation officers pursuant to JCJC standards. Of these positions, 228 are for school-based probation, 58 for community-based probation, 107 for intensive probation and 68 for aftercare services. The commission will continue this program during 2000-01.

The commission's Drug and Alcohol Initiative continues to be a priority. Fifty-eight of the Commonwealth's counties are using urinalysis drug testing techniques on those juveniles who are known or suspected drug users. Juveniles referred to the court are tested for one or more of the following drugs: THC, cocaine, barbiturates, amphetamines, opiates, PCP, benzodiazepines and alcohol. Outcome information regarding each youth tested is collected by the commission and entered into its drug testing database.

Juvenile arrests for violent crimes (murder, forcible rape, robbery and aggravated assault) increased from 5,308 in 1997 to 5,470 in 1998. The arrest rate per 100,000 juveniles increased from 404 in 1997 to 412 in 1998.

Since 1997-98, JCJC has been participating in the Commonwealth's Unified Information Technology System. The commission's primary role in the project is to assist in the design, development and implementation of a juvenile tracking system. The project is part of the development of the statewide Integrated Criminal Justice System and the establishment of a Justice Network (J-Net) to electronically connect criminal justice agencies to facilitate information sharing.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Children referred to court .....	36,593	37,700	37,700	37,700	37,700	37,700	37,700
Commitments as a percent of referrals .....	10.8%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
Children arrested for violent crime .....	5,308	5,470	5,600	5,600	5,600	5,600	5,600
Full-time equivalent juvenile probation officer positions .....	1,131	1,251	1,251	1,251	1,251	1,251	1,251

The number of full-time equivalent juvenile probation officer positions increases in 1999-00 due to increased funding.



**Program: Reintegration of Juvenile Delinquents (continued)**

**Program Recommendations:**

This budget recommends the following changes: (Dollar Amounts in Thousands)

<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 10%; text-align: right;">74</td> <td style="width: 80%;"> <b>Juvenile Court Judges Commission</b>                      —to continue current program.                 </td> <td style="width: 10%;"></td> </tr> <tr> <td></td> <td style="text-align: right;">420</td> <td>—to provide for implementation of Juvenile Tracking System.</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">-980</td> <td>—nonrecurring design and development costs related to the Juvenile Tracking System project.</td> <td></td> </tr> <tr> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black; text-align: right;">-486</td> <td style="border-top: 1px solid black;"><i>Appropriation Decrease</i></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;"><b>Improvement of Juvenile Probation Services</b></td> <td></td> </tr> <tr> <td style="text-align: right;">\$</td> <td style="text-align: right;">128</td> <td>—to continue current grant program.</td> <td></td> </tr> </table>	\$	74	<b>Juvenile Court Judges Commission</b> —to continue current program.			420	—to provide for implementation of Juvenile Tracking System.			-980	—nonrecurring design and development costs related to the Juvenile Tracking System project.			-486	<i>Appropriation Decrease</i>				<b>Improvement of Juvenile Probation Services</b>		\$	128	—to continue current grant program.		<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 10%; text-align: right;">267</td> <td style="width: 80%;"> <b>Specialized Probation Services</b>                      —to continue current grant program.                 </td> <td style="width: 10%;"></td> </tr> <tr> <td></td> <td style="text-align: right;">2,000</td> <td>—PRR — Protecting Public Safety Through Enforcement, Prevention and Rehabilitation. This Program Revision expands the availability of specialized probation services for juvenile offenders. See the Program Revision following the Institutionalization of Offenders program in the Department of Corrections for additional information.</td> <td></td> </tr> <tr> <td style="border-top: 1px solid black;"></td> <td style="border-top: 1px solid black; text-align: right;">2,267</td> <td style="border-top: 1px solid black;"><i>Appropriation Increase</i></td> <td></td> </tr> </table>	\$	267	<b>Specialized Probation Services</b> —to continue current grant program.			2,000	—PRR — Protecting Public Safety Through Enforcement, Prevention and Rehabilitation. This Program Revision expands the availability of specialized probation services for juvenile offenders. See the Program Revision following the Institutionalization of Offenders program in the Department of Corrections for additional information.			2,267	<i>Appropriation Increase</i>	
\$	74	<b>Juvenile Court Judges Commission</b> —to continue current program.																																			
	420	—to provide for implementation of Juvenile Tracking System.																																			
	-980	—nonrecurring design and development costs related to the Juvenile Tracking System project.																																			
	-486	<i>Appropriation Decrease</i>																																			
		<b>Improvement of Juvenile Probation Services</b>																																			
\$	128	—to continue current grant program.																																			
\$	267	<b>Specialized Probation Services</b> —to continue current grant program.																																			
	2,000	—PRR — Protecting Public Safety Through Enforcement, Prevention and Rehabilitation. This Program Revision expands the availability of specialized probation services for juvenile offenders. See the Program Revision following the Institutionalization of Offenders program in the Department of Corrections for additional information.																																			
	2,267	<i>Appropriation Increase</i>																																			

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Juvenile Court Judges Commission .....	\$ 2,336	\$ 2,285	\$ 1,799	\$ 1,835	\$ 1,872	\$ 1,909	\$ 1,947
Improvement of Juvenile Probation Services .....	5,513	5,651	5,779	5,779	5,779	5,779	5,779
Specialized Probation Services .....	5,992	11,000	13,267	13,267	13,267	13,267	13,267
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 13,841</b>	<b>\$ 18,936</b>	<b>\$ 20,845</b>	<b>\$ 20,881</b>	<b>\$ 20,918</b>	<b>\$ 20,955</b>	<b>\$ 20,993</b>





---

# 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.





## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

1998-99                      1999-00                      2000-01  
 ACTUAL                      AVAILABLE                      BUDGET

### GENERAL FUND:

#### General Government:

Lieutenant Governor's Office.....	\$	749	\$	1,038 <sup>a</sup>	\$	1,029
(A)Recycling Fund.....		85		85		85
Board of Pardons.....		291		341		348
(A)Pennsylvania Justice Network.....		320		0		0
(F)DCSI-Automated Technology-JNET Connection.....		230		0		0
Subtotal - State Funds.....	\$	1,040	\$	1,379	\$	1,377
Subtotal - Federal Funds.....		230		0		0
Subtotal - Augmentations.....		405		85		85
Total - General Government.....	\$	1,675	\$	1,464	\$	1,462
STATE FUNDS.....	\$	1,040	\$	1,379	\$	1,377
FEDERAL FUNDS.....		230		0		0
AUGMENTATIONS.....		405		85		85
<b>GENERAL FUND TOTAL.....</b>	<b>\$</b>	<b>1,675</b>	<b>\$</b>	<b>1,464</b>	<b>\$</b>	<b>1,462</b>

Includes \$252,000 actually appropriated as PRIME Implementation.



## Program Funding Summary

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>EXECUTIVE DIRECTION</b>							
GENERAL FUND.....	\$ 1,040	\$ 1,379	\$ 1,377	\$ 1,405	\$ 1,433	\$ 1,461	\$ 1,490
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	230	0	0	0	0	0	0
OTHER FUNDS.....	405	85	85	85	85	85	85
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 1,675</b>	<b>\$ 1,464</b>	<b>\$ 1,462</b>	<b>\$ 1,490</b>	<b>\$ 1,518</b>	<b>\$ 1,546</b>	<b>\$ 1,575</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 1,040	\$ 1,379	\$ 1,377	\$ 1,405	\$ 1,433	\$ 1,461	\$ 1,490
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	230	0	0	0	0	0	0
OTHER FUNDS.....	405	85	85	85	85	85	85
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 1,675</b>	<b>\$ 1,464</b>	<b>\$ 1,462</b>	<b>\$ 1,490</b>	<b>\$ 1,518</b>	<b>\$ 1,546</b>	<b>\$ 1,575</b>



**PROGRAM OBJECTIVE:** *To provide an effective administrative system through which substantive programs of the agency can be accomplished.*

## Program: Executive Direction

This program provides for the execution of duties relating to the Office of the Lieutenant Governor. These duties, as prescribed by the Constitution, include presiding over the Senate; assuming the Office of the Governor for the remainder of the Governor's term, if necessary, as a result of the death, conviction or impeachment, failure to qualify or resignation of the Governor; and serving as Chairman of the Pennsylvania Board of Pardons which reviews applications for reprieve, commutation of sentences and pardons.

In addition, the Lieutenant Governor serves, by appointment of the Governor, as Chairman of the Governor's Executive Council on Recycling Development and Waste

Reduction and as Chairman of the PRIME Council which is designed to re-engineer State Government to better serve its customers, to promote employee performance and effectiveness and to implement advances in information technology. The Lieutenant Governor directs the Pennsylvania Weed and Seed Program, an initiative that promotes neighborhood safety and revitalization through a strong partnership between law enforcement and local citizens.

The Lieutenant Governor serves, by appointment, as Chairman of the Pennsylvania Emergency Management Council in which he has direct responsibility for coordinating relief information and assistance.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$	-9	Lieutenant Governor's Office —to continue current program.	\$	7	Board of Pardons —to continue current program.
----	----	---	----	---	---

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Lieutenant Governor's Office .....	\$ 749	\$ 1,038	\$ 1,029	\$ 1,050	\$ 1,071	\$ 1,092	\$ 1,114
Board of Pardons .....	291	341	348	355	362	369	376
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 1,040</b>	<b>\$ 1,379</b>	<b>\$ 1,377</b>	<b>\$ 1,405</b>	<b>\$ 1,433</b>	<b>\$ 1,461</b>	<b>\$ 1,490</b>



---

# ATTORNEY GENERAL

The State constitution provides that the Attorney General shall be the chief law enforcement officer of the Commonwealth and shall exercise such powers and perform such duties as may be imposed by law.

The Commonwealth Attorneys Act establishes the Attorney General as the chief legal and law enforcement officer of the Commonwealth and provides the following fundamental duties and responsibilities of the Office of Attorney General:

To be the Commonwealth's chief law enforcement officer charged with 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.

---



**PROGRAM REVISION**

**Budgeted Amounts Include the Following Program Revision:**

Title	Appropriation	2000-01 State Funds (In thousands)
<b>Enhancing Information Technology to Better Serve Pennsylvania</b>		
	Statewide Radio System.....	\$ 668
	This Program Revision provides resources for base stations and mobile and portable radio equipment for the Statewide Public Safety Radio System. This is part of the \$174.3 million Enhancing Information Technology to Better Serve Pennsylvania Program Revision. Please see the Program Revision following the Executive Direction program in the Executive Offices for additional information on this Program Revision.	
	<b>Department Total.....</b>	<b>\$ 668</b>



## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
--	-------------------	----------------------	-------------------

### GENERAL FUND:

#### General Government:

General Government Operations.....	\$ 33,907	\$ 35,578	\$ 36,645
(F)Medicaid Fraud.....	3,103	3,183	3,261
(F)MAGLOCLEN.....	4,306	4,647	4,997
(F)DCSI - Elder Abuse Investigation Training.....	61	35	0
(F)DCSI - Elder Abuse Advisory Board.....	6	40	20
(F)DCSI - Child Sexual Exploitation Prevention.....	19	47	25
(A)Legal Fees Reimbursement.....	204	204	225
(A)Grand Jury Reimbursements.....	479	505	520
(A)Collections - Legal.....	102	70	72
(A)Department Services.....	3,071	2,978	3,068
(A)Consumer Protection.....	17	17	18
(A)Investigative Costs Reimbursements.....	33	33	35
(A)Environmental Crimes Investigative Costs.....	65	65	67
(A)Public Protection Law Enforcement.....	1,550	1,878	1,934
(A)Continuing Legal Education.....	8	8	10
Subtotal.....	\$ 46,931	\$ 49,288	\$ 50,897
(R)Office of Consumer Advocate.....	4,115	4,273	4,273
Computer Enhancements.....	0	1,190	790
Communications Assistance for Law Enforcement.....	0	766	0
Statewide Radio System.....	0	1,355	668
Drug Law Enforcement.....	19,067	19,749	20,957
(F)High Intensity Drug Trafficking Areas.....	2,883	2,791	2,936
(F)DCSI - Monitoring Prescription Abuse.....	112	96	0
(F)DCSI - Financial Investigations and Money Laundering.....	275	390	213
(A)Recovery of Narcotics Investigation Overtime Costs.....	65	60	62
(A)Seized/Forfeited Property - State Court Awarded.....	597	701	262
Subtotal.....	\$ 22,999	\$ 23,787	\$ 24,430
Local Drug Task Forces.....	7,125	8,166	8,488
(F)DCSI - Organized Crime and Drug Enforcement.....	187	563	282
Drug Strike Task Force.....	1,537	1,712	1,710
Capital Appeals Case Unit.....	500	606	614
Charitable Nonprofit Conversions.....	0	903	927
Tobacco Law Enforcement.....	0	0	500
Subtotal - State Funds.....	\$ 62,136	\$ 70,025	\$ 71,299
Subtotal - Federal Funds.....	10,952	11,792	11,734
Subtotal - Augmentations.....	6,191	6,519	6,273
Subtotal - Restricted Revenues.....	4,115	4,273	4,273
Total - General Government.....	\$ 83,394	\$ 92,609	\$ 93,579

#### Grants and Subsidies:

County Trial Reimbursement.....	\$ 150	\$ 150	\$ 150
STATE FUNDS.....	\$ 62,286	\$ 70,175	\$ 71,449
FEDERAL FUNDS.....	10,952	11,792	11,734
AUGMENTATIONS.....	6,191	6,519	6,273
RESTRICTED REVENUES.....	4,115	4,273	4,273

GENERAL FUND TOTAL.....	\$ 83,544	\$ 92,759	\$ 93,729
-------------------------	-----------	-----------	-----------

### OTHER FUNDS:

#### GENERAL FUND:

Seized/Forfeited Property - State Court Awarded.....	\$ 1,619	\$ 1,671	\$ 1,242
Seized/Forfeited Property - U.S. Department of Justice.....	719	1,053	460



**Summary by Fund and Appropriation**

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
Seized/Forfeited Property - PSP-OAG Agreement.....	1,093	1,400	1,100
OAG Investigative Funds - Outside Sources.....	2,920	3,378	3,480
Seized/Forfeited Property - U.S. Treasury Department.....	36	421	255
Public Protection Law Enforcement.....	2,162	2,500	2,634
Coroner's Education Board.....	0	20	21
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 8,549</b>	<b>\$ 10,443</b>	<b>\$ 9,192</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 62,286	\$ 70,175	\$ 71,449
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	10,952	11,792	11,734
AUGMENTATIONS.....	6,191	6,519	6,273
RESTRICTED.....	4,115	4,273	4,273
OTHER FUNDS.....	8,549	10,443	9,192
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 92,093</b>	<b>\$ 103,202</b>	<b>\$ 102,921</b>



## Program Funding Summary

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>PUBLIC PROTECTION AND LAW ENFORCEMENT</b>							
GENERAL FUND.....	\$ 62,286	\$ 70,175	\$ 71,449	\$ 72,194	\$ 73,636	\$ 75,107	\$ 76,606
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	10,952	11,792	11,734	11,451	11,203	11,194	11,194
OTHER FUNDS.....	18,855	21,235	19,738	20,131	20,531	20,940	21,358
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 92,093</b>	<b>\$ 103,202</b>	<b>\$ 102,921</b>	<b>\$ 103,776</b>	<b>\$ 105,370</b>	<b>\$ 107,241</b>	<b>\$ 109,158</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 62,286	\$ 70,175	\$ 71,449	\$ 72,194	\$ 73,636	\$ 75,107	\$ 76,606
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	10,952	11,792	11,734	11,451	11,203	11,194	11,194
OTHER FUNDS.....	18,855	21,235	19,738	20,131	20,531	20,940	21,358
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 92,093</b>	<b>\$ 103,202</b>	<b>\$ 102,921</b>	<b>\$ 103,776</b>	<b>\$ 105,370</b>	<b>\$ 107,241</b>	<b>\$ 109,158</b>





*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.

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; prosecuting hazardous waste cases; and providing for representation of the consumer in utility rate

proceedings before the Public Utility Commission through the Office of the Consumer Advocate. The Consumer Advocate also represents the consumer in cases such as competition in the electric, gas and telecommunications industries, filings of alternative regulatory plans by telephone utilities, purchased gas cases, and filings by major natural gas pipelines. 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.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Cases presented to the Statewide							
Investigating Grand Jury .....	52	70	70	70	70	70	70
Local drug task force arrests .....	4,795	5,500	5,500	5,500	5,500	5,500	5,500
Drug arrests resulting from Grand Jury							
presentments .....	202	221	221	221	221	221	221
Review of estates, charities, nonprofits,							
and healthcare conversions for							
compliance with rules and regulations .....	1,681	1,700	1,700	1,700	1,700	1,700	1,700
Consumer complaints concerning business							
practices investigated and mediated .....	28,828	30,000	30,000	30,000	30,000	30,000	30,000
Dollar value of recoupment to consumers							
regarding business practices							
(in thousands) .....	\$6,248	\$6,300	\$6,300	\$6,300	\$6,300	\$6,300	\$6,300
Rate cases argued by the Consumer							
Advocate .....	27	8	N/A	N/A	N/A	N/A	N/A
Other cases argued by the Consumer							
Advocate .....	173	205	N/A	N/A	N/A	N/A	N/A
Antitrust investigations opened with or							
without court action* .....	26	25	25	25	25	25	25
Antitrust cases: dollars paid or agreed							
to be paid to the Commonwealth or							
directly to its citizens (in thousands) .....	\$1,471	\$1,300	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

Cases presented to a statewide grand jury were less than expected in last year's budget because most of the cases were drug presentments that require more resources than other types of cases.

Drug arrests resulting from grand jury presentments were higher than projected in last year's budget due to a change in focus toward longer-term organizational cases that resulted in more indictments and convictions.

The number of rate cases and other cases argued by the Consumer Advocate were less than shown in last year's budget due to a targeting of resources to more complicated cases.

\* Antitrust investigations opened with or without court action were higher than shown in last year's budget because the measure now reflects cases opened rather than cases filed.

Antitrust cases: dollars paid or agreed to be paid were greater than shown in last year's budget because some new cases were resolved faster than expected.



**Program: Public Protection and Law Enforcement (continued)**

**Program Recommendations:**

This budget recommends the following changes: (Dollar Amounts in Thousands)

	<b>GENERAL FUND</b>		
\$ 1,067	<b>General Government Operations</b> — to continue current program.	\$ 1,208	<b>Drug Law Enforcement</b> — to continue current program.
\$ -400	<b>Computer Enhancements</b> — nonrecurring electronic technology equipment.	\$ 322	<b>Local Drug Task Forces</b> — to continue current program.
\$ -766	<b>Communications Assistance For Law Enforcement</b> — nonrecurring electronic surveillance equipment.	\$ -2	<b>Drug Strike Task Force</b> — nonrecurring information technology.
\$ -1,355	<b>Statewide Radio System</b> — nonrecurring radio equipment.	\$ 24	<b>Capital Appeals Case Unit</b> — to continue current program.
668	— PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides resources for base stations and mobile and portable radio equipment for agency participation in the Statewide Public Safety Radio System. See the Program Revision following the Executive Direction Program in the Executive Offices for additional information.	\$ 500	<b>Charitable Nonprofit Conversions</b> — to continue current program.
\$ -687	<i>Appropriation Decrease</i>		<b>Tobacco Law Enforcement</b> — to enforce the tobacco settlement and associated statutes and regulations.

County Trial Reimbursement is recommended at the current year funding level.

This budget also recommends the current year funding level for the Office of the Consumer Advocate from its restricted account in the General Fund.

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 33,907	\$ 35,578	\$ 36,645	\$ 37,378	\$ 38,126	\$ 38,889	\$ 39,667
Computer Enhancements .....	0	1,190	790	806	822	838	855
Communications Assistance for Law Enforcement .....	0	766	0	0	0	0	0
Statewide Radio System .....	0	1,355	668	0	0	0	0
Drug Law Enforcement .....	19,067	19,749	20,957	21,376	21,804	22,240	22,685
Local Drug Task Forces .....	7,125	8,166	8,488	8,658	8,831	9,008	9,188
Drug Strike Task Force .....	1,537	1,712	1,710	1,744	1,779	1,815	1,851
Capital Appeals Case Unit .....	500	606	614	626	639	652	665
Charitable Nonprofit Conversions .....	0	903	927	946	965	984	1,004
Tobacco Law Enforcement .....	0	0	500	510	520	531	541
County Trial Reimbursement .....	150	150	150	150	150	150	150
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 62,286</b>	<b>\$ 70,175</b>	<b>\$ 71,449</b>	<b>\$ 72,194</b>	<b>\$ 73,636</b>	<b>\$ 75,107</b>	<b>\$ 76,606</b>





---

# 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.



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
Auditor General's Office.....	\$ 40,609	\$ 42,748	\$ 44,030
(A) Reimbursement Auditing Services.....	7,617	7,850	7,850
(A) Sale of Autos.....	301	0	0
Subtotal.....	\$ 48,527	\$ 50,598	\$ 51,880
Board of Claims.....	1,564	1,561	1,619
(A) Sale of Autos.....	5	0	0
Subtotal - State Funds.....	\$ 42,173	\$ 44,309	\$ 45,649
Subtotal - Augmentations.....	7,923	7,850	7,850
Total - General Government.....	\$ 50,096	\$ 52,159	\$ 53,499
<i>Grants and Subsidies:</i>			
Municipal Pension System State Aid.....	\$ 708	\$ 113	\$ 424
STATE FUNDS.....	\$ 42,881	\$ 44,422	\$ 46,073
AUGMENTATIONS.....	7,923	7,850	7,850
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 50,804</b>	<b>\$ 52,272</b>	<b>\$ 53,923</b>
<b>OTHER FUNDS:</b>			
<b>MUNICIPAL PENSION AID FUND:</b>			
Municipal Pension Aid.....	\$ 134,351	\$ 140,000	\$ 140,000
<b>SUPPLEMENTAL STATE ASSISTANCE FUND:</b>			
Supplemental State Assistance (EA).....	\$ 708	\$ 113	\$ 424
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 42,881	\$ 44,422	\$ 46,073
SPECIAL FUNDS.....	0	0	0
AUGMENTATIONS.....	7,923	7,850	7,850
OTHER FUNDS.....	135,059	140,113	140,424
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 185,863</b>	<b>\$ 192,385</b>	<b>\$ 194,347</b>



## Program Funding Summary

	(Dollar Amounts in Thousands)						
	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>AUDITING</b>							
GENERAL FUND.....	\$ 42,173	\$ 44,309	\$ 45,649	\$ 46,562	\$ 47,493	\$ 48,443	\$ 49,412
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	7,923	7,850	7,850	8,007	8,167	8,330	8,497
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 50,096</b>	<b>\$ 52,159</b>	<b>\$ 53,499</b>	<b>\$ 54,569</b>	<b>\$ 55,660</b>	<b>\$ 56,773</b>	<b>\$ 57,909</b>
<b>MUNICIPAL PENSION SYSTEMS</b>							
GENERAL FUND.....	\$ 708	\$ 113	\$ 424	\$ 424	\$ 424	\$ 424	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	135,059	140,113	140,424	143,224	146,080	148,993	151,540
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 135,767</b>	<b>\$ 140,226</b>	<b>\$ 140,848</b>	<b>\$ 143,648</b>	<b>\$ 146,504</b>	<b>\$ 149,417</b>	<b>\$ 151,540</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 42,881	\$ 44,422	\$ 46,073	\$ 46,986	\$ 47,917	\$ 48,867	\$ 49,412
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	142,982	147,963	148,274	151,231	154,247	157,323	160,037
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 185,863</b>	<b>\$ 192,385</b>	<b>\$ 194,347</b>	<b>\$ 198,217</b>	<b>\$ 202,164</b>	<b>\$ 206,190</b>	<b>\$ 209,449</b>



**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 performs thousands of regular and special post audits of Commonwealth agencies, persons, associations and corporations to insure money is disbursed legally and properly. The Auditor General also examines accounts of revenue collecting agents to assure that all funds due the Commonwealth have been reported and transmitted properly and that the Commonwealth's financial statements conform to Generally Accepted Accounting Principles (GAAP).

The Single Audit, which is a single financial/compliance audit of the Commonwealth's Federal aid programs, and an audit of the Commonwealth's General Purpose Financial

Statements are jointly performed by the Auditor General and an independent certified public accounting firm.

The Fiscal Code also requires the Auditor General to audit public assistance payments to determine the eligibility of persons receiving public assistance grants. Recipients are subject to continuous audit. These audits serve to adjust grants to persons either ineligible or receiving overpayments or underpayments.

In addition to fiscal duties, the Auditor General serves as a member of the State Public School Building Authority and other major Commonwealth boards and commissions.

The Board of Claims operates within this program as an independent judicial and administrative body with jurisdiction to hear and determine claims against the Commonwealth that equal or exceed \$300.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

**Auditor General's Office**  
 \$ 1,282 —to continue current program.

**Board of Claims**  
 \$ 58 —to continue current program.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Auditor General's Office .....	\$ 40,609	\$ 42,748	\$ 44,030	\$ 44,911	\$ 45,809	\$ 46,725	\$ 47,660
Board of Claims .....	1,564	1,561	1,619	1,651	1,684	1,718	1,752
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 42,173</b>	<b>\$ 44,309</b>	<b>\$ 45,649</b>	<b>\$ 46,562</b>	<b>\$ 47,493</b>	<b>\$ 48,443</b>	<b>\$ 49,412</b>



*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 approximately 1,300 municipal pension funds for nonuniformed employees where municipalities choose to

allocate State aid to those funds. Under Act 205, the Auditor General is responsible for the administration of the Supplemental State Assistance Program, including disbursement of funds to distressed municipal pension systems based on certifications provided by PERC. Since 1989-90, revenues for the Supplemental State Assistance Fund have been provided entirely by General Fund appropriations which cannot exceed \$35 million annually. This program and fund shall terminate in 2003 or in the first year in which there are no municipalities entitled to receive Supplemental State Assistance, whichever occurs earlier.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 311 **Municipal Pension System State Aid**  
 —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)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Municipal Pension System State Aid .....	\$ 708	\$ 113	\$ 424	\$ 424	\$ 424	\$ 424	\$ 0





---

# 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.





## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
State Treasurer's Office.....	\$ 21,031	\$ 22,127	\$ 22,791
(A)Expenses - Unemployment Compensation.....	1,883	1,810	1,950
(A)Fees - Federal Savings Bonds.....	20	25	25
(A)Receipts From SWIF.....	203	270	250
(A)Sale of Automobiles.....	2	2	2
(A)Unclaimed Property - Reimbursement.....	7,093	3,558	7,000
(A)Photocopy Services.....	3	5	5
(A)Unclaimed Property - Reference Fees.....	2	5	5
(A)Administrative Fees.....	480	281	555
(A)Miscellaneous.....	5	2	2
Subtotal.....	\$ 30,722	\$ 28,085	\$ 32,585
Board of Finance and Revenue.....	2,253	2,271	2,289
Tuition Account Program Advertising.....	1,055	2,000	2,000
Chapter 93 Proceedings (6/01).....	280	0	0
Intergovernmental Organizations.....	867	828	846
Publishing Monthly Statements.....	18	30	25
Replacement Checks (EA).....	2,025	1,500	1,500
Subtotal.....	\$ 6,498	\$ 6,629	\$ 6,660
Subtotal - State Funds.....	\$ 27,529	\$ 28,756	\$ 29,451
Subtotal - Augmentations.....	9,691	5,958	9,794
Total - General Government.....	\$ 37,220	\$ 34,714	\$ 39,245
<i>Grants and Subsidies:</i>			
Law Enforcement Officers Death Benefits.....	\$ 480	\$ 665	\$ 675
<i>Debt Service:</i>			
Loan and Transfer Agents.....	\$ 52	\$ 225	\$ 225
Tax Note Expenses.....	5	170	170
Interest on Tax Anticipation Notes (EA).....	0	9,020	20,000
Commercial Paper Costs (EA).....	0	1,000	1,000
General Obligation Debt Service.....	760,428	626,915	410,332
(A)Student Community Building Fees.....	1,078	1,000	1,000
Subtotal - State Funds.....	\$ 760,485	\$ 637,330	\$ 431,727
Subtotal - Augmentations.....	1,078	1,000	1,000
Total - Debt Service.....	\$ 761,563	\$ 638,330	\$ 432,727
STATE FUNDS.....	\$ 788,494	\$ 666,751	\$ 461,853
AUGMENTATIONS.....	10,769	6,958	10,794
GENERAL FUND TOTAL.....	\$ 799,263	\$ 673,709	\$ 472,647
<b>MOTOR LICENSE FUND:</b>			
<i>General Government:</i>			
Administration Refunding Liquid Fuels Tax.....	\$ 289	\$ 452	\$ 459
<i>Refunds:</i>			
Replacement Checks - Motor License Fund.....	\$ 98	\$ 300	\$ 300
Refunding Liquid Fuels Tax - Agriculture.....	3,200	4,500	4,500
Refunding Liquid Fuels Tax - State Share.....	500	650	650
Refunding Emergency Liquid Fuels Tax.....	0	1	1
Refunding Liquid Fuels Tax - Political Subdivisions.....	2,300	3,000	3,200
Refunding Liquid Fuels Tax - Volunteer Services.....	132	350	450
Refunding Marine Liquid Fuels Tax - Boat Fund.....	2,300	2,795	3,000



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
Total - Refunds.....	\$ 8,530	\$ 11,596	\$ 12,101
<b>Debt Service:</b>			
Capital Debt Transportation Projects.....	\$ 110,513	\$ 98,126	\$ 79,841
General Obligation Debt Service.....	1,260	1,327	1,442
(R)Capital Bridge Debt (EA).....	29,684	28,552	26,341
(R)Aviation Debt Service.....	27	27	27
Loan and Transfer Agent.....	46	135	135
Subtotal - State Funds.....	\$ 111,819	\$ 99,588	\$ 81,418
Subtotal - Restricted Revenues.....	29,711	28,579	26,368
Total - Debt Service.....	\$ 141,530	\$ 128,167	\$ 107,786
STATE FUNDS.....	\$ 120,638	\$ 111,636	\$ 93,978
FEDERAL FUNDS.....	0	0	0
RESTRICTED REVENUES.....	29,711	28,579	26,368
<b>MOTOR LICENSE FUND TOTAL.....</b>	<b>\$ 150,349</b>	<b>\$ 140,215</b>	<b>\$ 120,346</b>
<b><u>BANKING DEPARTMENT FUND:</u></b>			
<i>General Government:</i>			
Replacement Checks-Banking Department Fund (EA).....	\$ 0	\$ 5	\$ 5
<b>BANKING DEPARTMENT FUND TOTAL.....</b>	<b>\$ 0</b>	<b>\$ 5</b>	<b>\$ 5</b>
<b><u>BOAT FUND:</u></b>			
<i>General Government:</i>			
Replacement Checks-Boat Fund (EA).....	\$ 0	\$ 5	\$ 5
<b>BOAT FUND TOTAL.....</b>	<b>\$ 0</b>	<b>\$ 5</b>	<b>\$ 5</b>
<b><u>FARM PRODUCTS SHOW FUND:</u></b>			
<i>General Government:</i>			
Replacement Checks-Farm Products Show Fund (EA).....	\$ 0	\$ 5	\$ 5
<b>FARM PRODUCTS SHOW FUND TOTAL.....</b>	<b>\$ 0</b>	<b>\$ 5</b>	<b>\$ 5</b>
<b><u>FISH FUND:</u></b>			
<i>General Government:</i>			
Replacement Checks-Fish Fund (EA).....	\$ 0	\$ 5	\$ 5
<b>FISH FUND TOTAL.....</b>	<b>\$ 0</b>	<b>\$ 5</b>	<b>\$ 5</b>
<b><u>GAME FUND:</u></b>			
<i>General Government:</i>			
Replacement Checks-Game Fund (EA).....	\$ 0	\$ 5	\$ 5
<b>GAME FUND TOTAL.....</b>	<b>\$ 0</b>	<b>\$ 5</b>	<b>\$ 5</b>
<b><u>LOTTERY FUND:</u></b>			
<i>General Government:</i>			
Replacement Checks-Lottery Fund (EA).....	\$ 3	\$ 100	\$ 100



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
LOTTERY FUND TOTAL.....	\$ 3	\$ 100	\$ 100
<b>MILK MARKETING FUND:</b>			
<i>General Government:</i>			
Replacement Checks-Milk Marketing Fund (EA).....	\$ 0	\$ 5	\$ 5
<i>Refunds:</i>			
Refunding Licenses and Fees-Milk Marketing Fund (EA).....	\$ 0	\$ 5	\$ 5
MILK MARKETING FUND TOTAL.....	\$ 0	\$ 10	\$ 10
<b>RACING FUND:</b>			
<i>General Government:</i>			
Replacement Checks-Racing Fund (EA).....	\$ 7	\$ 10	\$ 10
RACING FUND TOTAL.....	\$ 7	\$ 10	\$ 10
<b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</b>			
<i>General Government:</i>			
Bond Issuance Expenses.....	\$ 2	\$ 0	\$ 0
KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL.....	\$ 2	\$ 0	\$ 0
<b>OTHER FUNDS:</b>			
<b>TUITION PAYMENT FUND:</b>			
Tuition Account Program Bureau.....	\$ 1,004	\$ 1,033	\$ 1,227
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 788,494	\$ 666,751	\$ 461,853
SPECIAL FUNDS.....	120,650	111,781	94,123
AUGMENTATIONS.....	10,769	6,958	10,794
RESTRICTED.....	29,711	28,579	26,368
OTHER FUNDS.....	1,004	1,033	1,227
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 950,628</b>	<b>\$ 815,102</b>	<b>\$ 594,365</b>

## Program Funding Summary

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>DISBURSEMENT</b>							
GENERAL FUND.....	\$ 27,124	\$ 28,563	\$ 29,255	\$ 29,797	\$ 30,350	\$ 30,914	\$ 31,489
SPECIAL FUNDS.....	8,829	12,193	12,705	12,714	12,723	12,733	12,743
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	10,695	6,991	11,021	11,242	11,467	11,698	11,932
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 46,648</b>	<b>\$ 47,747</b>	<b>\$ 52,981</b>	<b>\$ 53,753</b>	<b>\$ 54,540</b>	<b>\$ 55,345</b>	<b>\$ 56,164</b>
<b>INTERSTATE RELATIONS</b>							
GENERAL FUND.....	\$ 867	\$ 828	\$ 846	\$ 846	\$ 846	\$ 846	\$ 846
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
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 867</b>	<b>\$ 828</b>	<b>\$ 846</b>	<b>\$ 846</b>	<b>\$ 846</b>	<b>\$ 846</b>	<b>\$ 846</b>
<b>DEBT SERVICE</b>							
GENERAL FUND.....	\$ 760,503	\$ 637,360	\$ 431,752	\$ 769,024	\$ 812,141	\$ 830,831	\$ 838,696
SPECIAL FUNDS.....	111,821	99,588	81,418	68,292	50,398	40,137	22,354
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	30,789	29,579	27,368	25,247	24,874	24,426	25,000
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 903,113</b>	<b>\$ 766,527</b>	<b>\$ 540,538</b>	<b>\$ 862,563</b>	<b>\$ 887,413</b>	<b>\$ 895,394</b>	<b>\$ 886,050</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 788,494	\$ 666,751	\$ 461,853	\$ 799,667	\$ 843,337	\$ 862,591	\$ 871,031
SPECIAL FUNDS.....	120,650	111,781	94,123	81,006	63,121	52,870	35,097
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	41,484	36,570	38,389	36,489	36,341	36,124	36,932
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 950,628</b>	<b>\$ 815,102</b>	<b>\$ 594,365</b>	<b>\$ 917,162</b>	<b>\$ 942,799</b>	<b>\$ 951,585</b>	<b>\$ 943,060</b>



*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 the Fiscal Code 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 department is responsible for the receipt, custody and disbursement of billions of dollars each year.

The Treasury Department 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 Chairman of the Board of Finance and Revenue and serves on 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, as amended by Act 161 of 1994, the Treasury Department is required to pay death benefits, adjusted annually for inflation, 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 payments made to survivors of local firemen or law enforcement officers. This current payment includes benefit increases with inflation.

The Treasury Department administers the Tuition Account Program that provides for the advance purchase of tuition credits for students who will attend institutions 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 Department by holders in possession of the property. The Commonwealth maintains perpetual custody of the property until it is claimed by the rightful owner. Revenues generated by collection of unclaimed property cover the costs of paying claims as well as the administrative costs of the program.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Disbursements issued:							
Disbursements — checks*	6,400,000	6,400,000	6,400,000	N/A	N/A	N/A	N/A
Disbursements — wires*	3,300,000	3,300,000	3,400,000	N/A	N/A	N/A	N/A
Interest earned on investments:							
General Fund (in thousands)	\$ 123,750	\$ 127,750	\$ 128,977	N/A	N/A	N/A	N/A
Motor License Fund (in thousands)	40,087	36,432	37,525	N/A	N/A	N/A	N/A
<b>TOTAL</b>	<b>\$ 163,837</b>	<b>\$ 164,182</b>	<b>\$ 166,502</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

Interest earned on investments in the General Fund is higher than shown in last year's budget due to the overall strength of the economy, which increased revenue received in the Short Term Investment Pool.

Interest earned on investments in the Motor License Fund is higher than shown in last year's budget due to an increase in the available balance resulting from additional revenue generated as a result of Act 3 of 1997.

\* New measure.

## Program: Disbursement (continued)

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	<b>GENERAL FUND</b>				<b>MOTOR LICENSE FUND</b>
	<b>State Treasurer's Office</b>				<b>Administration Refunding Liquid Fuels Tax</b>
\$	664	— to continue current program.		\$	7
					— based on most recent projection of program requirements.
	<b>Board of Finance and Revenue</b>				
\$	18	— to continue current program.			
					<b>Refunding Liquid Fuels Tax – Political Subdivisions</b>
	<b>Law Enforcement Officers Death Benefits</b>			\$	200
\$	10	— to continue current program.			— to continue current program.
				\$	100
					<b>Refunding Liquid Fuels Tax – Volunteer Services</b>
					— to continue current program.
				\$	205
					<b>Refunding Liquid Fuels Tax – Boat Fund</b>
					— to continue current program.

All other appropriations are recommended at the current year funding levels.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
State Treasurer's Office .....	\$ 21,031	\$ 22,127	\$ 22,791	\$ 23,247	\$ 23,712	\$ 24,186	\$ 24,670
Board of Finance and Revenue .....	2,253	2,271	2,289	2,335	2,382	2,430	2,479
Tuition Account Program Advertising .....	1,055	2,000	2,000	2,040	2,081	2,123	2,165
Chapter 93 Proceedings (6/01) .....	280	0	0	0	0	0	0
Replacement Checks (EA) .....	2,025	1,500	1,500	1,500	1,500	1,500	1,500
Law Enforcement Officers Death Benefits ..	480	665	675	675	675	675	675
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 27,124</b>	<b>\$ 28,563</b>	<b>\$ 29,255</b>	<b>\$ 29,797</b>	<b>\$ 30,350</b>	<b>\$ 30,914</b>	<b>\$ 31,489</b>
<b>MOTOR LICENSE FUND:</b>							
Administration Refunding Liquid Fuels Tax	\$ 289	\$ 452	\$ 459	\$ 468	\$ 477	\$ 487	\$ 497
Replacement Checks - Motor License Fund .....	98	300	300	300	300	300	300
Refunding Liquid Fuels Tax — Agriculture ..	3,200	4,500	4,500	4,500	4,500	4,500	4,500
Refunding Liquid Fuels Tax — State Share ..	500	650	650	650	650	650	650
Refunding Emergency Liquid Fuels Tax .....	0	1	1	1	1	1	1
Refunding Liquid Fuels Tax — Political Subdivisions .....	2,300	3,000	3,200	3,200	3,200	3,200	3,200
Refunding Liquid Fuels Tax — Volunteer Services .....	132	350	450	450	450	450	450
Refunding Marine Liquid Fuels Tax — Boat Fund .....	2,300	2,795	3,000	3,000	3,000	3,000	3,000
<b>TOTAL MOTOR LICENSE FUND .....</b>	<b>\$ 8,819</b>	<b>\$ 12,048</b>	<b>\$ 12,560</b>	<b>\$ 12,569</b>	<b>\$ 12,578</b>	<b>\$ 12,588</b>	<b>\$ 12,598</b>
<b>BANKING DEPARTMENT FUND:</b>							
Replacement Checks-Banking Department Fund (EA) .....	\$ 0	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
<b>BOAT FUND:</b>							
Replacement Checks-Boat Fund (EA) .....	\$ 0	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5



Program: Disbursement (continued)

**Appropriations within this Program: (continued)**

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>FARM PRODUCTS SHOW FUND:</b>							
Replacement Checks-Farm Products Show Fund (EA) .....	\$ 0	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
<b>FISH FUND:</b>							
Replacement Checks-Fish Fund (EA) .....	\$ 0	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
<b>GAME FUND:</b>							
Replacement Checks-Game Fund (EA) .....	\$ 0	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
<b>LOTTERY FUND:</b>							
Replacement Checks — Lottery Fund (EA) .....	\$ 3	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
<b>MILK MARKETING FUND:</b>							
Replacement Checks — Milk Marketing Fund (EA) .....	\$ 0	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
Refunding Licenses and Fees — Milk Marketing Fund (EA) .....	0	5	5	5	5	5	5
TOTAL MILK MARKETING FUND .....	\$ 0	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10
<b>RACING FUND:</b>							
Replacement Checks — Racing Fund (EA) .....	\$ 7	\$ 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 and the National Governors' Association, Pennsylvania helps coordinate ideas on programs, interstate progress, budgets, Federal-State relations, education, labor, research, governmental techniques and general information with other states, the Congress and the Federal Executive Branch.

The Governmental Accounting Standards Board is also included within this program. The board provides guidance and establishes standards to promote uniformity and

comparability in governmental accounting and financial reporting.

The State and Local Legal Center provides for Pennsylvania's participation in a center to advance and defend the interests of state and local governments in matters involving Federal preemption, state taxing and spending powers, the tenth amendment and other issues.

This program also covers Pennsylvania's cost of the Great Lakes Commission and the Council of Great Lakes Governors. These organizations were established to plan and promote a unified and balanced program for the development, use and conservation of Great Lakes Basin water resources.

**Program Recommendations:**

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 18 Intergovernmental Organizations  
—to continue current program.

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Intergovernmental Organizations .....	\$ 867	\$ 828	\$ 846	\$ 846	\$ 846	\$ 846	\$ 846





*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 for the acquisition and development of public recreation and historic sites and facilities; payment of compensation to veterans of the Vietnam Conflict; payment for disaster recovery costs; economic revitalization efforts; low-cost loans for water supply and sewage treatment

improvements; loans to volunteer fire companies; and a wide variety of construction and renovation projects for hospitals, higher education facilities, State parks, flood control, correctional institutions and various public buildings. Bond issues have also provided funds to bring nursing homes in compliance with 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.

**Program Recommendations:**

This budget recommends the following changes: (Dollar Amounts in Thousands)

**GENERAL FUND**  
 \$ -205,608 — the net effect on principal and interest requirements and other costs relating to the General Fund debt service after using \$280 million of sinking fund balances.

**MOTOR LICENSE FUND**  
 \$ -18,170 — the net effect on principal and interest requirements and other costs relating to the Motor License Fund debt service.

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Publishing Monthly Statements.....	\$ 18	\$ 30	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25
Loan and Transfer Agents .....	52	225	225	225	225	225	225
Tax Note Expenses .....	5	170	170	170	170	170	170
Interest on Tax Anticipation Notes (EA) .....	0	9,020	20,000	20,000	20,000	20,000	20,000
Commercial Paper Costs (EA) .....	0	1,000	1,000	1,000	1,000	1,000	1,000
General Obligation Debt Service .....	760,428	626,915	410,332	747,604	790,721	809,411	817,276
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 760,503</b>	<b>\$ 637,360</b>	<b>\$ 431,752</b>	<b>\$ 769,024</b>	<b>\$ 812,141</b>	<b>\$ 830,831</b>	<b>\$ 838,696</b>
<b>MOTOR LICENSE FUND:</b>							
Capital Debt Transportation Projects .....	\$ 110,513	\$ 98,126	\$ 79,841	\$ 59,113	\$ 40,965	\$ 30,704	\$ 13,012
General Obligation Debt Service .....	1,260	1,327	1,442	9,044	9,298	9,298	9,207
Loan and Transfer Agent .....	46	135	135	135	135	135	135
<b>TOTAL MOTOR LICENSE FUND .....</b>	<b>\$ 111,819</b>	<b>\$ 99,588</b>	<b>\$ 81,418</b>	<b>\$ 68,292</b>	<b>\$ 50,398</b>	<b>\$ 40,137</b>	<b>\$ 22,354</b>
<b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</b>							
Bond Issuance Expenses .....	\$ 2	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0





---

# DEPARTMENT OF AGING

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

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 contact 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.



**PROGRAM REVISION**

**Budgeted Amounts Include the Following Program Revision:**

Title	Appropriation	2000-01 State Funds (in thousands)
<b>Expanding Home and Community-Based Opportunities for Persons with Disabilities</b>		

**GENERAL FUND**

Family Caregiver.....	\$	825
-----------------------	----	-----

**TOBACCO SETTLEMENT FUND**

Nursing Home Alternatives Support.....	\$	1,123
--	----	-------

This Program Revision recommends approximately \$2 million in State funds and \$1 million in Federal funds to provide Family Caregiver support services for an additional 285 families caring for older family members in their home and to provide home and community-based services for an additional 1,500 older Pennsylvanians as an alternative to nursing home care. This is part of the \$72.2 million Expanding Home and Community-Based Opportunities for Persons with Disabilities Program Revision. Please see the Program Revision following the Human Services program in the Department of Public Welfare for additional information on this Program Revision.

Department Total.....	\$	<u>1,948</u>
-----------------------	----	--------------



## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
-------------------	----------------------	-------------------

**GENERAL FUND:***General Government:*

<b>General Government Operations - Lottery Programs</b>	\$ 296 <sup>a</sup>	\$ 16,206 <sup>a</sup>	\$ 16,422
(F)Programs for the Aging - Title III - Administration	0	1,817	1,817
(F)Programs for the Aging - Title V - Administration	0	173	173
(F)Medical Assistance - Administration	0	375	862
(F)DCSI - Older Adult Protective Services Act	0	150	50
(F)Medical Assistance Support	4,476	5,735	0
(A)Day Care Licensure	0	6	7
(A)Intergovernmental Transfer - Administration	4,060	4,918	179
Subtotal	\$ 8,832	\$ 29,380	\$ 19,510
Subtotal - State Funds	\$ 296	\$ 16,206	\$ 16,422
Subtotal - Federal Funds	4,476	8,250	2,902
Subtotal - Augmentations	4,060	4,924	186
Total - General Government	\$ 8,832	\$ 29,380	\$ 19,510

*Grants and Subsidies:*

<b>Family Caregiver</b>	\$ 10,128	\$ 10,371	\$ 11,461
<b>Pre-Admission Assessment</b>	5,132	5,311	5,804
(F)Pre-Admission Assessment	6,523	10,020	10,280
(A)Intergovernmental Transfer	187	689	2,983
Subtotal	\$ 11,842	\$ 16,020	\$ 19,067
<b>Grants to Senior Centers</b>	4,000	2,000	2,000
<b>Legal Advocacy for Older Pennsylvanians</b>	150	750	0
<b>Alzheimer's Outreach</b>	0	200 <sup>b</sup>	200
Subtotal - State Funds	\$ 19,410	\$ 18,632	\$ 19,465
Subtotal - Federal Funds	6,523	10,020	10,280
Subtotal - Augmentations	187	689	2,983
Total - Grants and Subsidies	\$ 26,120	\$ 29,341	\$ 32,728
STATE FUNDS	\$ 19,706	\$ 34,838	\$ 35,887
FEDERAL FUNDS	10,999	18,270	13,182
AUGMENTATIONS	4,247	5,613	3,169
<b>GENERAL FUND TOTAL</b>	\$ 34,952	\$ 58,721	\$ 52,238

**LOTTERY FUND:***General Government:*

<b>General Government Operations</b>	\$ 4,764	\$ 0	\$ 0
(F)Programs for the Aging - Title III - Administration	1,817	0	0
(F)Programs for the Aging - Title V - Administration	173	0	0
(F)Medical Assistance - Administration	86	0	0
(F)DCSI - Older Adult Protective Services Act	108	0	0
(A)Day Care Licensure	6	0	0
(A)Older Adult Protective Services Act	38	0	0
Subtotal - State Funds	\$ 4,764	\$ 0	\$ 0
Subtotal - Federal Funds	2,184	0	0
Subtotal - Augmentations	44	0	0
Total - General Government	\$ 6,992	\$ 0	\$ 0

*Grants and Subsidies:*

<b>PENNCARE</b>	\$ 181,397	\$ 186,786	\$ 192,579
-----------------	------------	------------	------------



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
(F)Programs for the Aging - Title III.....	45,382	47,000	52,000
(F)Programs for the Aging - Nutrition.....	8,500	8,500	8,500
(F)Programs for the Aging - Title V - Employment.....	4,561	5,250	5,250
(F)Programs for the Aging - Title VII - Elder Rights Protection.....	718	2,250	2,500
(F)Medical Assistance - Attendant Care.....	565	1,175	1,501
(F)Medical Assistance Support.....	0	0	22,457
(F)Emergency Cooling Program.....	0	1,000	0
(A)Opportunities to Partner.....	30	0	0
(A)Intergovernmental Transfer - MA Support.....	0	0	7,020
Subtotal.....	\$ 241,153	\$ 251,961	\$ 291,807
<b>Pharmaceutical Assistance Fund.....</b>	<b>260,000</b>	<b>260,000</b>	<b>290,000</b>
Subtotal - State Funds.....	\$ 441,397	\$ 446,786	\$ 482,579
Subtotal - Federal Funds.....	59,726	65,175	92,208
Subtotal - Augmentations.....	30	0	7,020
Total - Grants and Subsidies.....	\$ 501,153	\$ 511,961	\$ 581,807
STATE FUNDS.....	\$ 446,161	\$ 446,786	\$ 482,579
FEDERAL FUNDS.....	61,910	65,175	92,208
AUGMENTATIONS.....	74	0	7,020
<b>LOTTERY FUND TOTAL.....</b>	<b>\$ 508,145</b>	<b>\$ 511,961</b>	<b>\$ 581,807</b>
<b>TOBACCO SETTLEMENT FUND:</b>			
<i>Grants and Subsidies:</i>			
Nursing Home Alternatives Support.....	\$ 0	\$ 0	\$ 14,688
Subtotal.....	\$ 0	\$ 0	\$ 14,688
<b>TOBACCO SETTLEMENT FUND TOTAL.....</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 14,688</b>
<b>OTHER FUNDS:</b>			
<b>PHARMACEUTICAL ASSISTANCE FUND:</b>			
Contracted Services (EA).....	\$ 0 <sup>c</sup>	\$ 0 <sup>c</sup>	\$ 0 <sup>c</sup>
Administration of PACE (EA).....	0 <sup>d</sup>	0 <sup>d</sup>	0
Comptroller Operations (EA).....	0 <sup>e</sup>	0 <sup>e</sup>	0
<b>PHARMACEUTICAL ASSISTANCE FUND TOTAL.....</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 19,706	\$ 34,838	\$ 35,887
SPECIAL FUNDS.....	446,161	446,786	497,267
FEDERAL FUNDS.....	72,909	83,445	105,390
AUGMENTATIONS.....	4,321	5,613	10,189
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 543,097</b>	<b>\$ 570,682</b>	<b>\$ 648,733</b>

<sup>a</sup> 1998-99 actually appropriated as part of Medical Assistance Support. 1999-00 Available includes \$316 actually appropriated as part of Medical Assistance Support.

<sup>b</sup> Actually appropriated in the Department of Health.

<sup>c</sup> Not added to the total to avoid double counting: 1998-99 Actual is \$261,475,000, 1999-00 Available is \$256,829,000 and 2000-01 Budget is \$305,207,000.

<sup>d</sup> Not added to the total to avoid double counting: 1998-99 Actual is \$906,000. Appropriated in General Government Operations – Lottery Programs in 1999-00.

<sup>e</sup> Not added to the total to avoid double counting: 1998-99 Actual is \$440,000. Appropriated in Executive Offices, Office of the Budget in 1999-00.



## Program Funding Summary

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>COMMUNITY SERVICES FOR OLDER PENNSYLVANIANS</b>							
GENERAL FUND.....	\$ 19,706	\$ 34,838	\$ 35,887	\$ 35,331	\$ 35,649	\$ 35,973	\$ 36,303
SPECIAL FUNDS.....	186,161	186,786	207,267	214,407	223,821	236,792	240,210
FEDERAL FUNDS.....	72,909	83,445	105,390	106,510	109,769	109,958	107,615
OTHER FUNDS.....	4,321	5,613	10,189	10,189	10,189	10,189	10,189
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 283,097</b>	<b>\$ 310,682</b>	<b>\$ 358,733</b>	<b>\$ 366,437</b>	<b>\$ 379,428</b>	<b>\$ 392,912</b>	<b>\$ 394,317</b>
<b>PHARMACEUTICAL ASSISTANCE</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	260,000	260,000	290,000	333,000	370,000	401,000	438,000
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 260,000</b>	<b>\$ 260,000</b>	<b>\$ 290,000</b>	<b>\$ 333,000</b>	<b>\$ 370,000</b>	<b>\$ 401,000</b>	<b>\$ 438,000</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 19,706	\$ 34,838	\$ 35,887	\$ 35,331	\$ 35,649	\$ 35,973	\$ 36,303
SPECIAL FUNDS.....	446,161	446,786	497,267	547,407	593,821	637,792	678,210
FEDERAL FUNDS.....	72,909	83,445	105,390	106,510	109,769	109,958	107,615
OTHER FUNDS.....	4,321	5,613	10,189	10,189	10,189	10,189	10,189
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 543,097</b>	<b>\$ 570,682</b>	<b>\$ 648,733</b>	<b>\$ 699,437</b>	<b>\$ 749,428</b>	<b>\$ 793,912</b>	<b>\$ 832,317</b>



*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, therefore, 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 lunchtime, provide older Pennsylvanians with a hot, nutritionally balanced meal. Transportation services arranged by the agencies allow older Pennsylvanians to visit the doctor, shop or attend senior center events. Job placement services help 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 and manage 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 semiskilled 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.

Attendant care services are maintained for disabled adults transitioning at age 60 from the Department of Public Welfare's Attendant Care Program. The enhanced level of personal care services is provided until health changes indicate a change in care level is appropriate.

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.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Pennsylvanians 60 years and older .....	2,415,787	2,410,244	2,418,305	2,426,365	2,434,426	2,442,486	2,450,547
Pennsylvanians 85 years and older .....	258,892	269,596	278,999	288,402	297,805	307,208	316,611
Persons served who are clinically nursing home eligible .....	14,436	14,450	14,450	14,450	14,450	14,450	14,450
<b>Persons receiving assistance:</b>							
Congregate meals .....	141,400	141,400	141,400	141,400	141,400	141,400	141,400
Transportation (complete round trips) .....	80,000	82,000	85,000	85,000	85,000	85,000	85,000
Personal assistance services .....	1,840	1,840	1,840	1,840	1,840	1,840	1,840
Attendant care services .....	217	297	413	490	565	650	750
Home delivered meals .....	44,200	44,200	44,200	44,200	44,200	44,200	44,200
Home support services .....	11,427	12,200	12,200	12,200	12,200	12,200	12,200
Personal care services .....	24,500	25,900	25,900	25,900	25,900	25,900	25,900
Protective services .....	8,300	8,100	8,100	8,100	8,100	8,100	8,100

Persons served who are clinically nursing home eligible increased from those shown in last year's budget as a result of the implementation of a priority setting process designed to serve the most frail elderly first.

Persons receiving attendant care services and attendant care client hours decreased from those shown in last year's budget due to fewer persons transitioning from the Department of Public Welfare's Attendant Care Program than anticipated.

Persons receiving protective services increased from those shown in last year's budget due to Act 13 of 1997 which requires mandatory, rather than voluntary, reporting of suspected cases of abuse.



## Program: Community Services for Older Pennsylvanians (continued)

Program Measures: (continued)	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Units of services delivered:</b>							
Employment services (unsubsidized job placements) .....	1,834	1,800	1,800	1,800	1,800	1,800	1,800
Attendant care services (client hours) .....	198,345	300,000	442,109	503,820	578,575	664,595	763,930
Home support services (client hours) .....	418,000	395,000	395,000	395,000	395,000	395,000	395,000
Personal care services (client hours) .....	3,475,000	3,323,000	3,323,000	3,323,000	3,323,000	3,323,000	3,323,000
Families receiving caregiver support .....	6,432	6,500	6,785	6,785	6,785	6,785	6,785
<b>Pre-Admission Assessment:</b>							
Initial Assessments .....	57,445	61,208	85,700	85,700	85,700	85,700	85,700
Referrals to nursing homes .....	37,177	39,786	59,900	59,900	59,900	59,900	59,900
Referrals for community services .....	16,335	17,481	25,800	25,800	25,800	25,800	25,800

Units of home support services decreased from those shown in last year's budget due to increased demand for personal assistance and consumer reimbursement services.

Pre-Admission assessments and referrals for 1999-00 decreased from those shown in last year's budget since a decision on the Taylor versus White litigation is still pending in court.

### Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<b>GENERAL FUND</b>					
<b>General Government Operations — Lottery Programs</b>					
\$ 227	— to continue current program.	\$	117		<b>Pre-Admission Assessment</b>
-360	— nonrecurring PACE operating expenses.		376		— to continue current program.
-100	— nonrecurring match for Federal DCSI — Older Adult Protective Services Act funding.	\$	493		— to provide for an additional 3,700 assessments.
449	— Initiative — Long-Term Care Consumer Information. To improve the information available to consumers regarding the availability of long-term care services including service options, provider performance profiles and financing opportunities.	\$	-750		<b>Appropriation Increase</b>
					<b>Legal Advocacy for Older Pennsylvanians</b>
					— nonrecurring project.
					<b>LOTTERY FUND</b>
					<b>PENNCARE</b>
		\$	4,741		— to continue current program.
			1,302		— to provide service to an additional 116 Attendant Care Program recipients.
\$ 216	<i>Appropriation Increase</i>		-250		— nonrecurring primary care demonstration project.
					<b>Appropriation Increase</b>
\$ 265	<b>Family Caregiver</b>	\$	5,793		
825	— to continue current program.				<b>TOBACCO SETTLEMENT FUND</b>
	— PRR — Expanding Home and Community-Based Opportunities for Persons with Disabilities. This Program Revision provides Family Caregiver support services for additional families caring for older family members in their home as an alternative to nursing home care. See the Program Revision following the Human Services program in the Department of Public Welfare for additional information.	\$	13,565		<b>Nursing Home Alternatives Support</b>
			1,123		— to provide older Pennsylvanians with opportunities for alternatives to nursing home care.
					— PRR — Expanding Home and Community-Based Opportunities for Persons with Disabilities. This Program Revision provides home and community-based services for additional older Pennsylvanians as an alternative to nursing home care. See the Program Revision following the Human Services program in the Department of Public Welfare for additional information.
\$ 1,090	<i>Appropriation Increase</i>				
		\$	14,688		<b>Appropriation Increase</b>

All other appropriations are recommended at the current year funding level.



Expanding the use of volunteers in the Ombudsman program within the Department of Aging. The use of volunteers in 34 of the 52 Area Agencies on Aging throughout the State expands the outreach and assistance to Pennsylvania senior citizen customers. An estimated \$200,000 of additional services was provided by volunteers assisting staff.



The Department of Aging will have all department program directives, information memorandums and technical assistance bulletins available through a computer terminal rather than hard copies to the department and Area Agencies on Aging. This will provide for the electronic exchange of program information.



Program: Community Services for Older Pennsylvanians (continued)

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
General Government Operations –							
Lottery Programs .....	\$ 296	\$ 16,206	\$ 16,422	\$ 15,866	\$ 16,184	\$ 16,508	\$ 16,838
Family Caregiver .....	10,128	10,371	11,461	11,461	11,461	11,461	11,461
Pre-Admission Assessment.....	5,132	5,311	5,804	5,804	5,804	5,804	5,804
Grants to Senior Centers .....	4,000	2,000	2,000	2,000	2,000	2,000	2,000
Legal Advocacy for Older Pennsylvanians..	150	750	0	0	0	0	0
Alzheimer's Outreach .....	0	200	200	200	200	200	200
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 19,706</b>	<b>34,838</b>	<b>\$ 35,887</b>	<b>\$ 35,331</b>	<b>\$ 35,649</b>	<b>\$ 35,973</b>	<b>\$ 36,303</b>
<b>LOTTERY FUND:</b>							
General Government Operations .....	\$ 4,764	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
PENNCARE .....	181,397	186,786	192,579	198,549	204,704	211,050	217,593
<b>TOTAL LOTTERY FUND .....</b>	<b>\$ 186,161</b>	<b>\$ 186,786</b>	<b>\$ 192,579</b>	<b>\$ 198,549</b>	<b>\$ 204,704</b>	<b>\$ 211,050</b>	<b>\$ 217,593</b>
<b>TOBACCO SETTLEMENT FUND:</b>							
Nursing Home Alternatives Support .....	\$ 0	\$ 0	\$ 14,688	\$ 15,858	\$ 19,117	\$ 25,742	\$ 22,617



**PROGRAM OBJECTIVE:** *To assist eligible older Pennsylvanians who experience difficulty meeting the cost of prescription drugs necessary to maintain healthy lives.*

## Program: Pharmaceutical Assistance

The pharmaceutical assistance program provides limited pharmaceutical assistance to qualified older Pennsylvanians who are 65 years of age and over and 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.

PACE was expanded by Act 134 of 1996 which increased income eligibility limits and established two programs in PACE. The traditional, comprehensive program is for older Pennsylvanians whose annual income is at or below \$14,000 for single persons and \$17,200 for married persons. PACE pays the entire cost of prescription drugs and insulin supplies after a mandatory copayment of \$6 is made. The PACE Needs Enhancement Tier (PACENET) program is available for older Pennsylvanians whose annual income is between \$14,000 and \$16,000 for single persons and between \$17,200 and \$19,200 for married persons. PACENET pays the entire cost of prescription drugs and insulin supplies after a claimant meets a \$500 per person deductible and a mandatory copayment of \$8 for generic and \$15 for brand-name prescriptions.

Participating pharmacies are reimbursed at 90 percent of the average wholesale costs of prescription drugs plus a dispensing fee, or their usual and customary charge, whichever is less. Pharmacies are required to stock and dispense A-rated generic drugs included in the Federal Drug Administration "Orange Book" unless an A-rated generic is deemed by the Department of Aging to have too

narrow a therapeutic index for safe and effective dosing or the usual and customary charge for the brand drug is equal to or less than the least expensive generic. If claimants choose not to accept the generic, they are liable for the copayment and 70 percent of the average wholesale price of the brand name drug. In addition, Act 134 of 1996 prohibits payment for cosmetic drugs and for less than effective drugs without certification by a 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 misuse of drug therapies.

A prudent pharmaceutical purchasing program ensures that the PACE program receives a discount from drug manufacturers. PACE pays for drug products from manufacturers who agree to pay a rebate of 17 percent of the average manufacturer price for both brand and generic drugs purchased through the program. In addition, participating manufacturers agree to pay an excessive pharmaceutical price inflation discount equivalent to the difference between the quarterly average manufacturers price charged for a drug and the average quarterly price charged for that drug one year earlier inflated by the Consumer Price Index-Urban.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Comprehensive PACE Program:</b>							
Older Pennsylvanians enrolled (average) .....	235,401	218,000	204,700	192,000	179,650	168,100	157,200
Total prescriptions per year .....	8,830,954	8,807,200	8,781,650	8,620,800	8,335,750	7,967,950	7,608,500
Average PACE cost per prescription .....	\$31.29	\$34.50	\$38.51	\$42.54	\$46.99	\$51.91	\$57.35
<b>PACE Needs Enhancement Tier (PACENET):</b>							
Older Pennsylvanians enrolled (average) .....	15,913	19,800	22,900	26,550	30,850	35,800	41,500
Total prescriptions per year .....	309,436	423,750	524,400	647,800	783,600	927,200	1,095,600
Average PACENET cost per prescription .....	\$32.22	\$36.02	\$40.23	\$44.44	\$49.09	\$54.24	\$59.91

Older Pennsylvanians enrolled in PACENET decreased from projections shown in last year's budget because Health Maintenance Organization's (HMOs) have continued to recruit more persons than anticipated into the Medicare plans which provide prescription benefits.



**Program: Pharmaceutical Assistance (continued)**

**Program Recommendations:**

This budget recommends the following changes: (Dollar Amounts in Thousands)

**LOTTERY FUND:**  
**Pharmaceutical Assistance Fund**  
 \$ 30,000 —to provide for increases in the cost per  
 prescription and number of prescriptions per  
 person.

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>LOTTERY FUND:</b>							
Pharmaceutical Assistance Fund .....	\$ 260,000	\$ 260,000	\$ 290,000	\$ 333,000	\$ 370,000	\$ 401,000	\$ 438,000





---

# DEPARTMENT OF AGRICULTURE

*The mission of the Department of Agriculture is to encourage and promote agriculture and related industries throughout the Commonwealth.*

The Department's mission is accomplished through four major programs: consumer protection, property protection, farmland preservation and agribusiness development. The Department provides a full range of services to farmers and consumers from Harrisburg and through seven regional offices located around the State.

The Department of Agriculture carries out activities to ensure wholesome 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.

---



**PROGRAM REVISION**

**Budgeted Amounts Include the Following Program Revision:**

Title	Appropriation	2000-01 State Funds (in thousands)
<b>Vision for the 21st Century Environment</b>		
<b>ENVIRONMENTAL STEWARDSHIP FUND</b>		
	Transfer to Agricultural Conservation Easement Purchase Fund.....	\$ 20,002
<p>This Program Revision provides resources for agricultural land preservation. This is part of the \$139.5 million Vision for the 21st Century Environment Program Revision. Please see the Program Revision following the Environmental Protection and Management program in the Department of Environmental Protection for additional information on this Program Revision.</p>		
	<b>Department Total.....</b>	<b><u>\$ 20,002</u></b>



## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1998-99	1999-00	2000-01
	ACTUAL	AVAILABLE	BUDGET

### GENERAL FUND:

#### General Government:

General Government Operations.....	\$ 24,939	\$ 26,854 <sup>a</sup>	\$ 28,486
(F)Plant Pest Detection System.....	24	23	17
(F)Poultry Grading Service.....	120	76	36
(F)Medicated Feed Mill Inspection.....	16	16	19
(F)Donated Foods.....	198	250	280
(F)Household Commodity Program.....	1,800	2,000	2,000
(F)Pesticide Control.....	628	611	672
(A)Fertilizer and Soil Inspections.....	175	195	194
(A)Lime Inspection.....	39	30	33
(A)Soil Conditioner.....	22	0	0
(A)Feed Inspections and Registrations.....	448	425	455
(A)Milk Plant Inspections.....	33	25	25
(A)Mailing List Production.....	10	9	9
(A)Special Conferences and Projects.....	10	10	10
(A)Administrative Services.....	538	520	520
(A)Pesticide Regulation.....	1,057	1,490	1,677
(A)Training Rides and Attractions.....	9	8	8
(A)Chesapeake Bay Project.....	47	118	69
(A)Dog Law Administration Support.....	91	59	91
(A)Food Site Inspection.....	30	28	28
(A)Farm Account Reimbursement.....	4	5	3
(A)Nutrient Management Certification Fees.....	16	6	5
(A)Apiary Registration and Fees.....	12	5	6
(A)Biomass Energy.....	0	30	30
Subtotal.....	\$ 30,266	\$ 32,793	\$ 34,673
Farmers' Market Food Coupons.....	526	1,000	1,000
(F)Farmers' Market Food Coupons.....	1,124	2,000	2,000
Agricultural Conservation Easement Administration.....	428	443	634
(A)Reimbursement from PennDOT.....	37	55	50
(F)Farmland Protection.....	48	1,500	1,500
Agricultural Research.....	3,123	3,250	3,500
Agricultural Promotion, Education, and Exports.....	1,046	1,054	1,159
Hardwoods Research and Promotion.....	598	713	713
Farm Safety.....	109	115	115
Nutrient Management.....	223	358	369
Subtotal - State Funds.....	\$ 30,992	\$ 33,787	\$ 35,976
Subtotal - Federal Funds.....	3,958	6,476	6,524
Subtotal - Augmentations.....	2,578	3,018	3,213
Total - General Government.....	\$ 37,528	\$ 43,281	\$ 45,713

#### Grants and Subsidies:

Animal Health Commission.....	\$ 3,000	\$ 3,750	\$ 4,125
Veterinary Distance Learning.....	52	0	0
Animal Indemnities.....	40	300	300
Transfer to State Farm Products Show Fund.....	800	800	800
Payments to Pennsylvania Fairs.....	3,998	4,100	4,200
Livestock Show.....	167	177	187
Open Dairy Show.....	110	120	187
Junior Dairy Show.....	40	43	45
4-H Club Shows.....	45	48	50
State Food Purchase.....	17,775 <sup>b</sup>	15,464 <sup>b</sup>	16,000
Product Promotion and Marketing.....	500	726	800
(F)Market Improvement.....	40	150	150
Future Farmers.....	55	58	63
Transfer to Nutrient Management Fund.....	3,280	3,280	3,280



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99	1999-00	2000-01
	ACTUAL	AVAILABLE	BUDGET
Local Soil and Water Districts.....	0	1,000	1,000
Agriculture Drought Disaster Relief.....	0	5,000	0
Emergency Drought Relief.....	0	60,000	0
Crop Insurance (6/01).....	0	5,600	0
Plum Pox Virus - Fruit Tree Indemnities (6/01).....	0	2,000	0
Transfer to Agricultural Conservation Easement Purchase Fund.....	0	20,000	0
Agricultural Easement Purchase Program.....	0	43,000	0
Subtotal - State Funds.....	\$ 29,862	\$ 165,466	\$ 31,037
Subtotal - Federal Funds.....	40	150	150
Total - Grants and Subsidies.....	\$ 29,902	\$ 165,616	\$ 31,187
STATE FUNDS.....	\$ 60,854	\$ 199,253	\$ 67,013
FEDERAL FUNDS.....	3,998	6,626	6,674
AUGMENTATIONS.....	2,578	3,018	3,213
GENERAL FUND TOTAL.....	\$ 67,430	\$ 208,897	\$ 76,900
<b><u>FARM PRODUCTS SHOW FUND:</u></b>			
<i>General Government:</i>			
General Operations (EA).....	\$ 4,267	\$ 4,467	\$ 5,080
FARM PRODUCTS SHOW FUND TOTAL.....	\$ 4,267	\$ 4,467	\$ 5,080
<b><u>ENVIRONMENTAL STEWARDSHIP FUND:</u></b>			
<i>Grants and Subsidies:</i>			
Transfer to Agricultural Conservation Easement Purchase (EA).....	\$ 0	\$ 0	\$ 20,002
ENVIRONMENTAL STEWARDSHIP FUND TOTAL.....	\$ 0	\$ 0	\$ 20,002
<b><u>FARM PRODUCTS SHOW FUND:</u></b>			
<i>General Government:</i>			
(A)Transfer From General Fund.....	\$ 0c	\$ 0c	\$ 0c
FARM PRODUCTS SHOW FUND TOTAL.....	\$ 0	\$ 0	\$ 0
<b><u>RACING FUND:</u></b>			
<i>General Government:</i>			
State Racing Commissions (EA).....	\$ 6,446	\$ 7,042	\$ 7,160
Equine Toxicology and Research Laboratory (EA).....	1,628	1,788	2,013
Payments to Pennsylvania Fairs - Administration (EA).....	172	177	189
Total - General Government.....	\$ 8,246	\$ 9,007	\$ 9,362
<i>Grants and Subsidies:</i>			
Transfer To General Fund (EA).....	\$ 11,981	\$ 10,213	\$ 10,274
RACING FUND TOTAL.....	\$ 20,227	\$ 19,220	\$ 19,636
<b><u>OTHER FUNDS:</u></b>			
<b>AGRICULTURAL CONSERVATION EASEMENT PURCHASE FUND:</b>			
Purchase of County Easements (EA).....	\$ 30,106	\$ 28,000	\$ 42,000
Supplemental Agricultural Conservation Easement Purchase.....	0	10,000	23,000



**Summary by Fund and Appropriation**

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
<b>AGRICULTURAL CONSERVATION EASEMENT PURCHASE FUND TOTAL.....</b>	<b>\$ 30,106</b>	<b>\$ 38,000</b>	<b>\$ 65,000</b>
<b>GENERAL FUND:</b>			
Agriculture Farm Operations.....	\$ 6	\$ 30	\$ 20
Recovery on Lost Commodities.....	0	7	7
Dog Law Administration.....	4,493	5,193	5,585
Farm Loan Program.....	118	252	25
Pesticide Regulation.....	2,036	2,812	2,661
Public Weightmasters.....	0	20	20
Fertilizer Research.....	41	0	0
Plant Pest Management.....	348	451	420
National School Lunch.....	90	0	0
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 7,132</b>	<b>\$ 8,765</b>	<b>\$ 8,738</b>
<b>NUTRIENT MANAGEMENT FUND:</b>			
Planning, Loans, Grants, and Technical Assistance (EA).....	\$ 1,550	\$ 3,280	\$ 4,469
<b>RACING FUND:</b>			
Sire Stakes Fund.....	\$ 4,000	\$ 4,003	\$ 3,801
Breeders' Fund.....	5,302	5,119	6,125
<b>RACING FUND TOTAL.....</b>	<b>\$ 9,302</b>	<b>\$ 9,122</b>	<b>\$ 9,926</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 60,854	\$ 199,253	\$ 67,013
SPECIAL FUNDS.....	24,494	23,687	44,718
FEDERAL FUNDS.....	3,998	6,626	6,674
AUGMENTATIONS.....	2,578	3,018	3,213
OTHER FUNDS.....	48,090	59,167	88,133
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 140,014</b>	<b>\$ 291,751</b>	<b>\$ 209,751</b>

<sup>a</sup> Includes recommended supplemental appropriation of \$200,000.

<sup>b</sup> 1998-99 Actual appropriated as \$4,000,000 for Emergency Food Assistance Development and \$13,775,000 for State Food Purchase and 1999-00 Available appropriated as \$1,000,000 for Emergency Food Assistance Development and \$14,464,000 for State Food Purchase.

<sup>c</sup> Not added to the total to avoid double counting: 1998-99 Actual is \$800,000, 1999-00 Available is \$800,000, and 2000-01 Budget is \$800,000.





**Program Funding Summary**

	(Dollar Amounts in Thousands)						
	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>PROTECTION AND DEVELOPMENT OF AGRICULTURAL INDUSTRIES</b>							
GENERAL FUND.....	\$ 42,553	\$ 182,789	\$ 50,013	\$ 50,712	\$ 51,426	\$ 52,154	\$ 52,895
SPECIAL FUNDS.....	4,439	4,644	25,271	24,395	24,399	24,403	4,405
FEDERAL FUNDS.....	1,074	2,626	2,674	2,674	2,674	2,674	2,674
OTHER FUNDS.....	41,213	52,930	81,257	78,580	68,910	59,246	39,590
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 89,279</b>	<b>\$ 242,989</b>	<b>\$ 159,215</b>	<b>\$ 156,361</b>	<b>\$ 147,409</b>	<b>\$ 138,477</b>	<b>\$ 99,564</b>
<b>HORSE RACING REGULATION</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	20,055	19,043	19,447	18,750	18,846	18,841	18,836
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	9,302	9,122	9,926	9,926	9,926	9,926	9,926
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 29,357</b>	<b>\$ 28,165</b>	<b>\$ 29,373</b>	<b>\$ 28,676</b>	<b>\$ 28,772</b>	<b>\$ 28,767</b>	<b>\$ 28,762</b>
<b>EMERGENCY FOOD ASSISTANCE</b>							
GENERAL FUND.....	\$ 18,301	\$ 16,464	\$ 17,000	\$ 17,020	\$ 17,040	\$ 17,061	\$ 17,082
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,924	4,000	4,000	4,000	4,000	4,000	4,000
OTHER FUNDS.....	153	133	163	167	171	175	179
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 21,378</b>	<b>\$ 20,597</b>	<b>\$ 21,163</b>	<b>\$ 21,187</b>	<b>\$ 21,211</b>	<b>\$ 21,236</b>	<b>\$ 21,261</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 60,854	\$ 199,253	\$ 67,013	\$ 67,732	\$ 68,466	\$ 69,215	\$ 69,977
SPECIAL FUNDS.....	24,494	23,687	44,718	43,145	43,245	43,244	23,241
FEDERAL FUNDS.....	3,998	6,626	6,674	6,674	6,674	6,674	6,674
OTHER FUNDS.....	50,668	62,185	91,346	88,673	79,007	69,347	49,695
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 140,014</b>	<b>\$ 291,751</b>	<b>\$ 209,751</b>	<b>\$ 206,224</b>	<b>\$ 197,392</b>	<b>\$ 188,480</b>	<b>\$ 149,587</b>



*PROGRAM OBJECTIVE: To strengthen the agricultural economy and related enterprises*

## Program: Protection and Development of Agricultural Industries

The Department of Agriculture administers several related elements within this program.

### **Program Element: Agribusiness Development**

This program element includes: a domestic trade section, an international trade section, a market opportunities section and an agricultural land preservation section.

The domestic trade section primarily focuses on direct consumer market development and creating trade and consumer demands for Pennsylvania agriculture and food products, usually through promotional objectives. Equally important, promotional activities operated under this program element are designed to increase and enhance the awareness of non-farm Pennsylvanians about the importance of agribusiness in the Commonwealth.

The international trade section helps Pennsylvania companies market their products in foreign markets by providing promotional opportunities in foreign market places. The international trade section differs from the domestic trade section in that technical outreach to Pennsylvania food and agriculture businesses is necessary if they are to adequately understand and prepare for market opportunities in foreign economies.

The market opportunities section examines domestic and foreign market places to identify market needs and communicate these needs to the Pennsylvania food and agriculture industry. Pennsylvania businesses then are better able to expand as they develop products and services that meet the needs of the Pennsylvania farmer, producer and processor. The market opportunities section also provides funds for the operation of the Farm Show Complex in Harrisburg.

Additionally the department's objective is to strengthen all markets through programs designed to promote agriculture and food products and commodities such as apples, honey, cherries, grapes, maple syrup, hardwoods, beef, milk and dairy products. In some instances, the promotion of these products is coordinated with councils representing product interest. Some councils assess members fees based on their production.

Other promotional activities for Pennsylvania products include appearances by the Pennsylvania Dairy Princess, county dairy princesses and other Statewide commodity representatives at shopping centers and other public functions, developing and displaying exhibits that depict agriculture's role in the economy of Pennsylvania, and working with Statewide commodity organizations.

A grant program, Payments to Pennsylvania Fairs, provides funds for agricultural fair operating reimbursements and grants to Statewide agricultural organizations, Future

Farmers of America and 4H groups in accordance with the guidelines of Act 92 of 1986. After these requirements have been fulfilled, the remaining appropriation balance is used for capital improvements at fairgrounds.

The agricultural land preservation section, through a special fund created by Act 64 of 1988 that implemented a referendum approved by the electorate in November of 1988, purchases easements on prime agricultural land to ensure its continued use for agricultural purposes. Easements have been funded from bonds and a dedicated portion of the cigarette tax. In 1999 two separate acts provided new funding for the program. Act 15 established a Supplemental Agricultural Conservation Easement Purchase Program and made \$43 million available from the General Fund to accelerate the purchase of easements. Act 68 of 1999, the Environmental Stewardship and Watershed Protection Act, made \$20 million available in 1999-2000 from the General Fund and will provide \$20 million from the Environmental Stewardship fund in each of the next four years for farmland preservation.

The final contribution to agribusiness is agricultural research grants which provide for scientific research into plant and animal health. This research serves to enhance the industry by identifying prevention mechanisms for disease and proactive mechanisms for enhancement of the quality and quantity of agricultural products.

### **Program Element: Animal Health**

The objective of this element is to maintain the health of domestic animals in order to protect human health, to protect the quantity, quality and safety of food of animal origin, and to provide for the general welfare of domestic animals. Emphasis is placed on disease prevention by surveillance and diagnostic activity to detect disease, control of animal movements to prevent the spread of disease, health certification programs to identify disease-free animals, and research to develop improved husbandry and health maintenance methods. Of major concern are interstate and international movements of animals and animal products that may introduce any one of numerous dangerous transmissible diseases existing outside the Commonwealth. Compliance with animal health rules is achieved by regular inspection of animal marketing and processing activities by veterinarians and livestock disease control technicians.

Animal research initiatives and coordination of animal disease diagnostic laboratories are provided by the Pennsylvania Animal Health and Diagnostic Commission. This commission, an administrative commission within the Department of Agriculture, coordinates the animal diagnostic laboratory resources of The Pennsylvania State University



## Program: Protection and Development of Agricultural Industries (continued)

and the University of Pennsylvania School of Veterinary Medicine with those of the department. This program reduces the cost of animal disease and the threat of animal disease to human health in the Commonwealth by making state-of-the-art animal disease diagnosis affordable and readily available to animal owners.

Also included in this program is dog law enforcement. Primary functions include: control and regulation of the sale and transportation of dogs, kennel inspections, reimbursement of law enforcement agencies for the detention and disposition of stray dogs, and reimbursement to owners of livestock and poultry for damage caused by dogs and coyotes. Approximately 984,945 dogs and 2,322 kennels are licensed currently under this program.

Dog law expenditures are reflected in this program as Other Funds.

### **Program Element: Consumable Agricultural Products**

The Department of Agriculture is committed through regulatory efforts to protect the health and safety of the consumer and assure the availability of quality agriculture products to consumers. Food safety is among the most significant of the department's protection activities. An educational approach has been developed under which department personnel conduct training courses for food handlers including school cafeteria, day care center, fair concession and nonprofit organization personnel. Approximately 41,000 of the more than 50,000 food establishments were inspected in 1998-99. Food establishments which are inspected include all food stores, processing plants, warehouses, transportation facilities, bakeries, dairies, bottling plants, egg packing facilities, fruit and vegetable packing plants, certain registered concession stands and restaurants which sell frozen desserts and baked goods. Since 1995, the Department of Agriculture has assumed responsibility for inspecting all 19,000 licensed eating and drinking establishments. Additional activities guarantee the quality of animal feeds, fertilizers, liming materials, plant materials and pesticides. Act 53 of 1996 transferred the responsibility for enforcement of the Seasonal Farm Labor Act from the Department of Environmental Protection to the Department of Agriculture.

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 23,393 inspections in 1998-99 and expects to perform 25,000 in 1999-00. The Amusement Ride Division completed 671 inspections in 1998-99 and expects to perform 680 in 1999-00.

To protect the consumer and ensure the availability of quality agriculture products, the department regulates the sale of feed, fertilizer, lime and seeds by requiring certain label information and by sampling and analyzing products in its Harrisburg laboratories. During 1998-99, 1,300 agribusinesses were inspected and 3,967 feed, fertilizer and lime samples were analyzed. In addition, 3,967 samples of seed were tested.

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 1998-99, more than 1,600 dealer and 3,277 nursery and greenhouse inspections were conducted, involving more than 32,107 acres and over 20,000,000 square feet under glass of plant material; and 460 inspections were conducted for the issuance of 3,471 certificates for the exportation of plant material. The department also inspected 1,540 apiaries involving 9,503 colonies of bees in 1998-99 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 1998-99, 710 pesticide dealers and 5,700 pesticide application businesses were licensed, 35,000 pesticide applicators certified, 2,400 service technicians registered, more than 12,000 pesticide products registered, 1,067 inspections and investigations conducted, and 121 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.

The State Conservation Commission, whose chairmanship alternates each year between the Secretary of Agriculture and the Secretary of the Department of Environmental Protection, is the primary implementing authority for the Nutrient Management Act. The law is designed to minimize surface and ground water pollution from agricultural operations. The Departments of Agriculture and Environmental Protection in cooperation with the commission work with farmers to develop and implement nutrient management plans to reduce pollution.



## Program: Protection and Development of Agricultural Industries (continued)

Program Measures:	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Agribusiness Development:</b>							
Dollar volume of food and agricultural exports (millions) .....	\$923	\$1,000	\$1,030	\$1,135	\$1,220	\$1,220	\$1,220
Trade leads generated .....	1,280	1,300	1,300	1,300	1,300	1,300	1,300
Additional farm acreage preserved under perpetual easements .....	19,225	25,300	30,500	21,000	21,000	21,000	21,000
<b>Animal Health:</b>							
Animals examined to determine disease (thousands) .....	1,000	1,000	600	600	600	600	600
Animals quarantined (thousands) .....	570	40	40	40	40	40	40
Animals destroyed (thousands) .....	1	1	1	1	1	1	1
<b>Consumable Agricultural Products:</b>							
Consumer commodities inspected (thousands) .....	\$73,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000

Farm acreage preserved under perpetual easements was greater than projected in last year's budget due to a one-time appropriation for a supplemental easement program.

Animals examined to determine disease, animals quarantined and animals destroyed were much less than projected in last year's budget due to the successful measures adopted to control the recent avian flu outbreaks.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p><b>GENERAL FUND</b></p> <p><b>General Government Operations</b></p> <p>\$ 617 — to continue current program.</p> <p>520 — Initiative — West Nile Virus Control. To monitor for the presence of the West Nile virus in mosquitoes, birds and other animals.</p> <p>75 — Initiative — Pennsylvania Dairy Quality Assurance Program. To develop a control protocol to prevent the spread of animal diseases to milk, milk by-products and dairy beef.</p> <p>201 — to provide information technology improvements.</p> <p>120 — to provide equipment for measurement standards.</p> <p>99 — to provide laboratory equipment.</p> <p><u>\$ 1,632</u> <i>Appropriation Increase</i></p> <p><b>Agricultural Conservation Easement Administration</b></p> <p>\$ 191 — to continue current program.</p> <p><b>Agricultural Research</b></p> <p>\$ 250 — to continue current program.</p> <p><b>Agricultural Promotion, Education, and Exports</b></p> <p>\$ 105 — to continue current program.</p> <p><b>Nutrient Management</b></p> <p>\$ 11 — to continue current program.</p> <p><b>Animal Health Commission</b></p> <p>\$ 375 — to continue current program.</p> <p><b>Payments to Pennsylvania Fairs</b></p> <p>\$ 100 — to continue current program.</p> <p><b>Livestock Show</b></p> <p>\$ 10 — to continue current program.</p>	<p>\$ 67</p> <p>\$ 2</p> <p>\$ 2</p> <p>\$ 74</p> <p>\$ 5</p> <p>\$ -5,000</p> <p>\$ -60,000</p> <p>\$ -5,600</p> <p>\$ -2,000</p> <p>\$ -20,000</p>	<p><b>Open Dairy Show</b></p> <p>— to continue current program.</p> <p><b>Junior Dairy Show</b></p> <p>— to continue current program.</p> <p><b>4-H Club Shows</b></p> <p>— to continue current program.</p> <p><b>Product Promotion and Marketing</b></p> <p>— to continue current program.</p> <p><b>Future Farmers</b></p> <p>— to continue current program.</p> <p><b>Agricultural Drought Disaster Relief</b></p> <p>— nonrecurring emergency authorization for aid to farmers for the purchase and transportation of hay during the 1999 drought disaster.</p> <p><b>Emergency Drought Relief</b></p> <p>— nonrecurring grant program for agricultural production losses resulting from the 1999 drought disaster.</p> <p><b>Crop Insurance</b></p> <p>— nonrecurring aid for payment of a portion of crop insurance for agricultural producers adversely affected by the 1999 drought disaster.</p> <p><b>Plum Pox Virus — Fruit Tree Indemnities</b></p> <p>— nonrecurring grants to indemnify commercial fruit tree growers for costs related to the plum pox virus.</p> <p><b>Transfer to the Agricultural Conservation Easement Purchase Fund</b></p> <p>— for 1999-00 agricultural land preservation projects related to the Growing Greener initiative.</p>
--	--	--

## Program: Protection and Development of Agricultural Industries (continued)

### Program Recommendations: (continued) This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ -43,000	<b>Agricultural Easement Purchase Program</b> — nonrecurring one year supplemental program to address the backlog of easement purchases.	\$ 123 490	<b>STATE FARM PRODUCTS SHOW FUND</b> <b>General Operations (EA)</b> — to continue current program. — to provide new horse stalls, a material handler, trucks and miscellaneous equipment.
All other General Fund Appropriations are recommended to be continued at the current year funding level.			
\$ 20,002	<b>ENVIRONMENTAL STEWARDSHIP FUND</b> <b>Transfer to Agricultural Conservation Easement Purchase Fund (EA)</b> — PRR — Vision for the 21st Century Environment. This Program Revision provides for agricultural land preservation. See the Program Revision following the Environmental Protection and Management program in the Department of Environmental Protection for additional information.	\$ 12	\$ 613 <i>Appropriation Increase</i>  <b>RACING FUND</b> <b>Payments to Pennsylvania Fairs — Administration (EA)</b> — to continue current program.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 24,939	\$ 26,854	\$ 28,486	\$ 29,056	\$ 29,637	\$ 30,230	\$ 30,834
Agricultural Conservation Easement							
Administration .....	428	443	634	647	660	673	686
Agricultural Research .....	3,123	3,250	3,500	3,570	3,641	3,714	3,788
Agricultural Promotion, Education,							
and Exports .....	1,046	1,054	1,159	1,182	1,206	1,230	1,255
Hardwoods Research and Promotion .....	598	713	713	727	742	757	772
Farm Safety .....	109	115	115	117	119	121	123
Nutrient Management .....	223	358	369	376	384	392	400
Animal Health Commission .....	3,000	3,750	4,125	4,125	4,125	4,125	4,125
Veterinary Distance Learning .....	52	0	0	0	0	0	0
Animal Indemnities .....	40	300	300	300	300	300	300
Transfer to State Farm Products							
Show Fund .....	800	800	800	800	800	800	800
Payments to Pennsylvania Fairs .....	3,998	4,100	4,200	4,200	4,200	4,200	4,200
Livestock Show .....	167	177	187	187	187	187	187
Open Dairy Show .....	110	120	187	187	187	187	187
Junior Dairy Show .....	40	43	45	45	45	45	45
4-H Club Shows .....	45	48	50	50	50	50	50
Product Promotion and Marketing .....	500	726	800	800	800	800	800
Future Farmers .....	55	58	63	63	63	63	63
Transfer to Nutrient Management Fund .....	3,280	3,280	3,280	3,280	3,280	3,280	3,280
Local Soil and Water Districts .....	0	1,000	1,000	1,000	1,000	1,000	1,000
Agriculture Drought Disaster Relief .....	0	5,000	0	0	0	0	0
Emergency Drought Relief .....	0	60,000	0	0	0	0	0
Crop Insurance (6/01) .....	0	5,600	0	0	0	0	0
Plum Pox Virus - Fruit Tree							
Indemnities (6/01) .....	0	2,000	0	0	0	0	0
Transfer to Agricultural Conservation							
Easement Purchase Fund .....	0	20,000	0	0	0	0	0
Agricultural Easement Purchase Program .....	0	43,000	0	0	0	0	0
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 42,553</b>	<b>\$ 182,789</b>	<b>\$ 50,013</b>	<b>\$ 50,712</b>	<b>\$ 51,426</b>	<b>\$ 52,154</b>	<b>\$ 52,895</b>



**Program: Protection and Development of Agricultural Industries (continued)**

**Appropriations within this Program: (continued)**

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>ENVIRONMENTAL STEWARDSHIP FUND:</b>							
Transfer to Agricultural Conservation							
Easement Purchase (EA) .....	\$ 0	\$ 0	\$ 20,002	\$ 20,002	\$ 20,002	\$ 20,002	\$ 0
<b>FARM PRODUCTS SHOW FUND:</b>							
General Operations (EA) .....	\$ 4,267	\$ 4,467	\$ 5,080	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200
<b>RACING FUND:</b>							
Payments to Pennsylvania Fairs —							
Administration (EA) .....	\$ 172	\$ 177	\$ 189	\$ 193	\$ 197	\$ 201	\$ 205



*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 parimutuel harness and horse racing.

Horse racing in Pennsylvania is governed by Act 93 of 1983. This act merged the State Harness Racing Fund and the State Horse Racing Fund into the Racing Fund, adjusted the tax schedule and revised the distribution of funds in order to assist the racing industry by increasing the funds retained by the tracks.

The Racing Fund pays all expenses of the State Racing Commissions. After these obligations have been met, a

portion of the money remaining in the fund is credited to the Breeders' Fund and Sire Stakes Fund. The amount credited to each fund is a percentage of the amount wagered as specified by law. 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.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Investigations to insure compliance with established rules and regulations:							
Harness .....	920	920	920	920	920	920	920
Horse .....	3,550	3,550	3,550	3,550	3,550	3,550	3,550
Participant licenses issued:							
Harness .....	3,859	3,720	3,700	3,700	3,700	3,700	3,700
Horse .....	6,300	6,300	6,300	6,300	6,300	6,300	6,300
Licenses suspended for noncompliance of rules and regulations:							
Harness .....	310	325	330	330	330	330	330
Horse .....	300	300	300	300	300	300	300
Racing days approved:							
Harness .....	365	365	365	365	365	365	365
Horse .....	420	420	420	420	420	420	420

Harness participant licenses issued were greater than projected in last year's budget due to an increased demand for multi-jurisdiction licenses.

Harness and horse license suspensions for non-compliance were less than projected in last year's budget due to improved compliance with the regulations and rules.

### **Program Recommendations:** This budget recommends the following changes: (Dollar Amounts in Thousands)

<p><b>RACING FUND</b></p> <p><b>State Racing Commissions</b></p> <p>\$ -27 —nonrecurring fixed assets.</p> <p>45 —to continue current program.</p> <p>100 —Initiative—E-Government Expansion. To develop an internet-based application process for the annual licensing of persons involved with horseracing in the Commonwealth.</p> <hr/> <p>\$ 118 <i>Appropriation Increase</i></p>	<p><b>Equine Toxicology and Research Laboratory</b></p> <p>\$ -40 —nonrecurring fixed assets.</p> <p>109 —laboratory equipment.</p> <p>156 —to continue current program.</p> <hr/> <p>\$ 225 <i>Appropriation Increase</i></p> <p><b>Transfer to the General Fund</b></p> <p>\$ 61 —funds available to transfer. Law requires June 30th ending surplus to be transferred to the General Fund.</p>
---	---



**Program: Horse Racing Regulation (continued)**

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>RACING FUND:</b>							
State Racing Commissions (EA) .....	\$ 6,446	\$ 7,042	\$ 7,160	\$ 7,201	\$ 7,345	\$ 7,492	\$ 7,642
Equine Toxicology and Research Laboratory (EA) .....	1,628	1,788	2,013	2,053	2,094	2,136	2,179
Transfer To General Fund (EA) .....	11,981	10,213	10,274	9,496	9,407	9,213	9,015
<b>TOTAL STATE RACING FUND .....</b>	<b>\$ 20,055</b>	<b>\$ 19,043</b>	<b>\$ 19,447</b>	<b>\$ 18,750</b>	<b>\$ 18,846</b>	<b>\$ 18,841</b>	<b>\$ 18,836</b>





*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 based on unemployment, food stamp recipients not on public assistance, legal immigrants, medical assistance recipients and households with earned income receiving assistance. Administrative costs of this program are funded from the grants with an eight percent limit on administrative allocations.

This program distributes Federal surplus food through the traditional program involving schools, prisons, hospitals and summer camps. The Federal Emergency Food

Assistance Program (TEFAP) 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 the prior year participation and allocates commodities within the State based on the same criteria. The TEFAP 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 are borne by the Federal Government.

Program Measures:	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Dollar value of commodities distributed (thousands) .....	\$36,000	\$37,000	\$37,000	\$37,000	\$37,000	\$37,000	\$37,000
Persons receiving donated or surplus foods (thousands):							
Traditional program .....	1,005	1,000	1,000	1,000	1,000	1,000	1,000
TEFAP .....	2,790	2,700	2,700	2,700	2,700	2,700	2,700
State Food Purchase Program .....	2,750	2,700	2,700	2,700	2,700	2,700	2,700

<b>Program Recommendations:</b>	This budget recommends the following changes: (Dollar Amounts in Thousands)
---------------------------------	---

**GENERAL FUND**  
**State Food Purchase**  
 \$       536    —to continue current program including \$1,000,000 for emergency food assistance development.

Farmers' Market Food Coupons is recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Farmers' Market Food Coupons .....	\$     526	\$    1,000	\$    1,000	\$    1,020	\$    1,040	\$    1,061	\$    1,082
State Food Purchase .....	17,775	15,464	16,000	16,000	16,000	16,000	16,000
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 18,301</b>	<b>\$ 16,464</b>	<b>\$ 17,000</b>	<b>\$ 17,020</b>	<b>\$ 17,040</b>	<b>\$ 17,061</b>	<b>\$ 17,082</b>





---

# DEPARTMENT OF BANKING

*The mission of the Department of Banking is to ensure the safety and soundness of State-chartered deposit-taking institutions; to ensure compliance with State laws and regulations which impact other financial service entities; and to provide a flexible regulatory environment that will facilitate development of a sound financial services industry that adequately meets the needs of industry and the public, while efficiently and effectively managing the agency's resources.*

The Department of Banking protects the public through the supervision, regulation and examination of records, accounts and policies of State-chartered financial institutions.



**Summary by Fund and Appropriation**

(Dollar Amounts in Thousands)  
 1998-99                  1999-00                  2000-01  
 ACTUAL                  AVAILABLE                  BUDGET

**BANKING DEPARTMENT FUND:**

*General Government:*

General Government Operations.....	\$	9,225	\$	9,929	\$	9,691
------------------------------------	----	-------	----	-------	----	-------

<b>BANKING DEPARTMENT FUND TOTAL.....</b>	<b>\$</b>	<b>9,225</b>	<b>\$</b>	<b>9,929</b>	<b>\$</b>	<b>9,691</b>
---	-----------	--------------	-----------	--------------	-----------	--------------



## Program Funding Summary

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>REGULATION OF FINANCIAL INSTITUTIONS</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	9,225	9,929	9,691	9,783	9,979	10,179	10,383
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 9,225</b>	<b>\$ 9,929</b>	<b>\$ 9,691</b>	<b>\$ 9,783</b>	<b>\$ 9,979</b>	<b>\$ 10,179</b>	<b>\$ 10,383</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	9,225	9,929	9,691	9,783	9,979	10,179	10,383
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 9,225</b>	<b>\$ 9,929</b>	<b>\$ 9,691</b>	<b>\$ 9,783</b>	<b>\$ 9,979</b>	<b>\$ 10,179</b>	<b>\$ 10,383</b>



*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, first mortgage bankers and brokers, second mortgage lenders, brokers and brokers' agents, and check cashers. Other activities included in this program area are examinations of business development credit corporations, responding to consumer inquiries and conducting special investigations where necessary. In 1998-99, the department received approximately 6,100 consumer inquiries on its toll-free telephone line.

As of June 30, 1999, there were 173 depository institutions under the department's supervision: 46 commercial banks, 51 bank and trust companies, 48 savings banks, one private bank, 24 trust companies, and three foreign banks which maintained branches or representative offices in Pennsylvania. There were 40 savings associations and 89 credit unions chartered and supervised by the Department of Banking. Also operating in the Commonwealth were 69 one-bank holding companies and 21 multibank holding companies. The department also issues licenses annually to 11,755 non-depository institutions including installment sellers; first mortgage bankers and brokers; second mortgage lenders, brokers and brokers' agents; sales finance companies; consumer discount company offices; pawnbrokers; money transmitters, check cashers and collector-repossessors.

Since June 1995 there has been a 65 percent increase in the number of non-depository institution licensees. Future anticipated growth is based upon the continuing stability of interest rates and growth of the economy.

Recent legislative enactments have impacted the Department of Banking's program responsibilities. The Credit Services Act (Act 150 of 1992) requires unlicensed consumer loan brokers to register with the department. Act 79 of 1996 amended the Money Transmission Business Licensing Law and authorizes the department to license accelerated mortgage payment providers. Act 22 of 1998 requires the licensing and regulation of all check cashers doing business in Pennsylvania. Act 131 of 1998 provides for the establishment of two new categories of licensure – limited loan brokers and loan correspondents.

Act 39 of 1995 amended the Banking Code of 1965 to remove the last geographic restrictions on the operations of commercial banks through the authorization of full interstate banking, merging and reciprocal de nova interstate branching. Under the legislation, there is a reduction in departmental duties and responsibilities with regard to acquisition of banks in other states by Pennsylvania bank holding companies. However, responsibility with regard to interstate branching and merging transactions is increased as is regulatory and supervisory responsibilities regarding interstate banks. The Act 39 amendments bring Pennsylvania's banking laws into compliance with the Federal Riegle-Neal Interstate Banking and Branching Act of 1994, which encourages nationwide interstate banking.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Supervision of State-chartered:							
Banks .....	173	175	174	172	170	169	168
Savings and loan associations.....	40	24	19	19	19	19	19
Credit unions .....	89	84	87	88	88	88	88

Savings and loan association charters decrease compared to last year's budget due to the requirement that companies must either secure Federal deposit insurance or begin to liquidate in accordance with Act 132 of 1998.



## Program: Financial Institution Regulation (continued)

<b>Program Measures: (continued)</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Consumer credit agencies:</b>							
First mortgage bankers/brokers .....	2,658	2,658	2,658	2,658	2,658	2,658	2,658
Second mortgage lenders/brokers/ broker's agents .....	3,130	3,130	3,130	3,130	3,130	3,130	3,130
Sales finance companies .....	1,033	1,033	1,033	1,033	1,033	1,033	1,033
Consumer discount companies .....	563	563	563	563	563	563	563
Pawnbrokers .....	79	79	79	79	79	79	79
Money transmitters .....	25	25	25	25	25	25	25
Collectors-repossessors .....	145	145	145	145	145	145	145
Installment sellers licensed .....	3,709	3,709	3,709	3,709	3,709	3,709	3,709
Check casher licenses .....	413	413	413	413	413	413	413

First mortgage bankers/brokers and second mortgage lenders/brokers/broker's agents increase compared to the projection shown in last year's budget due to positive market conditions.

The check casher licenses increase in 1998-99 compared to the projection shown in last year's budget is due to the department's efforts to educate industry representatives on licensing requirements which were effective in 1998.

<b>Program Recommendations:</b>	This budget recommends the following changes: (Dollar Amounts in Thousands)
---------------------------------	---

\$	-338	—nonrecurring operating expenses.
	100	—Initiative — Electronic Document Management System. To develop an optical scanning and electronic filing system.
\$	-238	<i>Appropriation Decrease</i>



The Department of Banking is in the process of implementing a redesigned imaging and document management system. This will enable the department to better manage the data it receives and better serve its customers by providing needed information faster.

<b>Appropriations within this Program:</b>	(Dollar Amounts in Thousands)
--	-------------------------------

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>BANKING DEPARTMENT FUND:</b>							
General Government Operations .....	\$ 9,225	\$ 9,929	\$ 9,691	\$ 9,783	\$ 9,979	\$ 10,179	\$ 10,383





---

# CIVIL SERVICE COMMISSION

*The mission of the Civil Service Commission is to provide greater efficiency and economy in the government of the Commonwealth by establishing conditions of employment which will attract to the service of the Commonwealth qualified persons of character and ability and appointing and promoting said persons on the basis of merit and fitness.*

The Civil Service Commission administers the Commonwealth's merit system. The responsibilities of the commission include recruitment of qualified candidates; evaluation of applicants' education and experience to determine if minimum requirements have been met; development and administration of examinations; and certification of eligibles to the appointing agencies.



## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
General Government Operations.....	\$ 1	\$ 1	\$ 1
(A) Fees From Agencies.....	11,902	12,785	14,008
(A) Special Merit System Services.....	649	835	891
Subtotal - State Funds.....	\$ 1	\$ 1	\$ 1
Subtotal - Augmentations.....	12,551	13,620	14,899
Total - General Government.....	\$ 12,552	\$ 13,621	\$ 14,900
STATE FUNDS.....	\$ 1	\$ 1	\$ 1
AUGMENTATIONS.....	12,551	13,620	14,899
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 12,552</b>	<b>\$ 13,621</b>	<b>\$ 14,900</b>



## Program Funding Summary

	(Dollar Amounts in Thousands)						
	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>PERSONNEL SELECTION</b>							
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.....	12,551	13,620	14,899	15,339	14,661	14,514	14,804
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 12,552</b>	<b>\$ 13,621</b>	<b>\$ 14,900</b>	<b>\$ 15,340</b>	<b>\$ 14,662</b>	<b>\$ 14,515</b>	<b>\$ 14,805</b>
<b>ALL PROGRAMS:</b>							
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.....	12,551	13,620	14,899	15,339	14,661	14,514	14,804
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 12,552</b>	<b>\$ 13,621</b>	<b>\$ 14,900</b>	<b>\$ 15,340</b>	<b>\$ 14,662</b>	<b>\$ 14,515</b>	<b>\$ 14,805</b>



**PROGRAM OBJECTIVE:** To provide a sufficient number of qualified, available persons to meet agency merit system staffing needs.

## Program: Personnel Selection

Through this program, the Civil Service Commission provides qualified persons to meet merit system staffing needs.

The commission works toward bringing the Commonwealth merit system into full compliance with all State laws and regulations concerning employee selection procedures and the Federal Uniform Guidelines on Employee Selection Procedures. This includes job analysis and implementation of a program to identify and correct adverse impacts of examinations on protected groups.

Goals of the commission include identification and elimination of adverse impact, development of more valid examinations, identification and elimination of discrimination in the Commonwealth's personnel system, increased efficiency in meeting personnel needs of other State agencies, and 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.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Total eligibles on list .....	171,237	200,000	200,000	200,000	200,000	200,000	200,000
Persons scheduled for exams .....	123,582	130,000	130,000	130,000	130,000	130,000	130,000
Appeal requests received and processed .....	610	600	600	600	600	600	600
Certifications audited .....	5,260	11,000	11,000	11,000	11,000	11,000	11,000
People with disabilities provided employment information .....	2,175	2,000	2,000	2,000	2,000	2,000	2,000

Total eligibles on list decreased in the actual year compared to the projections in last year's budget due to fewer applicants caused by a lower unemployment rate.

Certifications audited, which includes computerized audits, increased compared to projections in last year's budget due to numerous Executive Board amendments to job classifications and pay ranges, unanticipated demands caused by an increase in local government and Department of Corrections appointment activity.

<b>Program Recommendations:</b>	This budget recommends the following changes in augmentations received from agency billings: (Dollar Amounts in Thousands)
\$ 57	<b>General Government Operations</b> —to continue current program.
1,222	—Initiative—Imaged Employment/Promotion Applications and Computerized Examinations. To establish computer-based testing for applicants in order to improve the personnel evaluation and hiring process.
<u>\$ 1,279</u>	<i>Augmentation Increase</i>

<b>Appropriations within this Program:</b>	(Dollar Amounts in Thousands)						
	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1





---

# DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT

*The mission of the Department of Community and Economic Development is to foster opportunities for businesses and communities to succeed and thrive in a global economy, thereby enabling Pennsylvanians to achieve a superior quality of life.*

The Department of Community and Economic Development administers programs which recognize that community development and economic development are linked. This includes expanding and providing for more efficient delivery of local services; coordinating community and economic development resources to restore and maintain the vitality of our communities; advancing the economic well-being of communities through the maximization of community and economic development resources; and promoting housing and community revitalization in conjunction with economic development activities.



# Community and Economic Development

## PROGRAM REVISION

### Budgeted Amounts Include the Following Program Revisions:

Title	Appropriation	2000-01 State Funds (in thousands)
<b>Excelling in the Digital Economy</b>		
	Opportunity Grant Program.....	\$ 28,000
	Western PA Venture Capital.....	3,000
	International Trade.....	287
	Interactive Marketing.....	1,500
	Marketing to Attract Tourists.....	4,452
	Marketing to Attract Business.....	2,015
	Regional Marketing Partnerships.....	1,000
	Tourist Promotion Assistance.....	500
	Tourist Product Development.....	1,000
	Transfer to Ben Franklin/IRC.....	2,200
	Customized Job Training.....	3,000
	Small Business Development Centers.....	1,000
	Transfer to Machinery and Equipment Loan Fund.....	4,000
	Industrial Development Assistance.....	1,300
	Local Development Districts.....	395
	Super Computer Center.....	-2,000
	Infrastructure Technical Assistance.....	-3,500
	PEDFA-Pennsylvania Technology Investment Authority.....	30,000
	<b>Program Revision Subtotal.....</b>	<b>\$ 78,149</b>

This Program Revision provides continued tax reduction, innovative new technology financing options, expands the Commonwealth's marketing strategy and expands support for traditional economic development financing programs. A total of \$95.3 million in State funds is provided by this Program Revision across two departments.

#### Vision for the 21st Century Environment

Planning Assistance.....	\$ -625
Land Use Planning Assistance.....	3,125
<b>Program Revision Subtotal.....</b>	<b>\$ 2,500</b>

This Program Revision provides resources to identify and provide technical assistance on sound land use and planning practices. This is part of the \$139.5 million Vision for the 21st Century Environment Program Revision. Please see the Program Revision following the Environmental Protection and Management program in the Department of Environmental Protection for additional information on this Program Revision.



## PROGRAM REVISION

### Budgeted Amounts Include the Following Program Revisions:

Title	Appropriation	2000-01 State Funds <small>(in thousands)</small>
<b>Promoting Self-Sufficiency and Responsibility</b>		

This Program Revision recommends \$500,000 in Federal funds to provide start-up funding for non-profit child care centers through the Small Business First Fund. This is part of the \$28.5 million Promoting Self-Sufficiency and Responsibility Program Revision. Please see the Program Revision following the Income Maintenance program in the Department of Public Welfare for additional information on this Program Revision.

#### Expanding Home and Community-Based Opportunities for Persons with Disabilities

	\$	300
--	----	-----

This Program Revision recommends \$300,000 in State funds to provide loan guarantees for individuals with disabilities for the purchase of assistive technology. This Program Revision also recommends \$5 million in Federal funds to provide financial assistance for home modifications for low-income families that include persons with disabilities. The Department of Community and Economic Development will provide \$250,000 of the \$5 million in Federal funds to the Pennsylvania Housing Finance Agency to provide home modification loans at the time of home purchase for low-income families that include persons with disabilities. This is part of the \$72.2 million Expanding Home and Community-Based Opportunities for Persons with Disabilities Program Revision. Please see the Program Revision following the Human Services program in the Department of Public Welfare for additional information on this Program Revision.

<b>Department Total.....</b>	<b>\$</b>	<b><u>80,949</u></b>
------------------------------	-----------	----------------------



# Community and Economic Development

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

1998-99                      1999-00                      2000-01  
ACTUAL                      AVAILABLE                      BUDGET

### GENERAL FUND:

#### General Government:

General Government Operations.....	\$	14,427 <sup>a</sup>	\$	17,440	\$	18,855
(F)ARC - Technical Assistance.....		307		450		550
(F)DOE - Weatherization Administration.....		373		425		425
(F)SCDBG - Administration.....		647		825		1,075
(F)CSBG - Administration.....		690		1,035		1,035
(F)LIHEABG - Administration.....		249		450		450
(F)ARC - Regional Initiative.....		488		900		900
(F)Community Planning Assistance.....		14		0		0
(F)DCSI-Regional Police Peer Program.....		10		5		0
(F)Americorps Training and Technical Assistance.....		100		140		100
(A)Manufactured Housing.....		555		460		460
(A)Minority Business Development Authority.....		325		55		0
(A)Copy Center Services.....		62		50		0
(A)Pennsylvania Industrial Development Authority.....		1,676		1,833		1,683
(A)Pennsylvania Economic Development Financing Authority.....		280		363		390
(A)Industrial Sites Cleanup.....		92		100		100
(A)PA Energy Development Authority.....		98		100		100
(A)Machinery and Equipment Loan Fund Reimbursement.....		108		110		125
(A)Environmental Training Partnership.....		1,161		1,500		1,500
(A)Reimbursement Environmental Protection.....		0		15		15
(A)Small Business First.....		359		655		705
(A)Local Area Transportation.....		35		75		125
(A)HOME Investment Partnership.....		346		370		370
(A)Storage Tank Loan Upgrade Administration.....		0		10		10
(R)Small Business Advocate-Utilities.....		1,043		998		1,015
(R)Zoological Transfer (EA).....		376		300		300
International Trade.....		5,572		7,070		7,601
Interactive Marketing.....		0		4,000		5,500
Marketing to Attract Tourists.....		14,069		14,604		19,035
(A)Reimbursement for Travel Advertisements.....		307		307		307
Marketing to Attract Business.....		6,150		5,450		7,165
Regional Marketing Partnerships.....		0		5,000		6,000
Marketing to Attract Film Business.....		444		460		619
International Marketing - Health Care.....		150		200		0
Housing Research Center.....		250		250		250
Team Pennsylvania.....		8,801		8,873		11,980
(F)Telecommunications & Information Infrastructure.....		0		785		0
(F)Incumbent Workers.....		0		50 <sup>b</sup>		50
PENNPORTS.....		12,041		12,796		11,244
Land Use Planning Assistance.....		0		475		3,600
Subtotal - State Funds.....	\$	61,904	\$	76,618	\$	91,849
Subtotal - Federal Funds.....		2,878		5,065		4,585
Subtotal - Augmentations.....		5,404		6,003		5,890
Subtotal - Restricted Revenues.....		1,419		1,298		1,315
Total - General Government.....	\$	71,605	\$	88,984	\$	103,639

#### Grants and Subsidies:

Transfer to Ben Franklin/IRC Fund.....	\$	40,400	\$	36,900	\$	39,100
Transfer: Financially Distressed Municipalities Aid Fund.....		1,000		0		0
Transfer to PA Industrial Development Authority.....		20,000		20,000		13,000
Transfer to Small Business First Fund.....		2,000		25,000		9,000
Transfer to Small Business First-Community Development.....		0		0		4,000
(F)CCDFBG - Child Care Start-Up.....		0		0		500
Transfer to Machinery and Equipment Loan Fund.....		1,500		2,000		6,000
Opportunity Grant Program.....		35,000		35,000		63,000
Customized Job Training.....		29,050		29,050		32,050



# Community and Economic Development

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
(A)Reimbursement-Job Link.....	424	0	0
(F)Community Economic Assistance.....	49,600	45,000	45,000
<b>Infrastructure Development.....</b>	<b>33,280</b>	<b>33,500</b>	<b>33,500</b>
Infrastructure Bank.....	0	4,000	0
CyberStart.....	0	1,600	1,600
Historical Education/Tourism.....	3,200	0	0
<b>Housing &amp; Redevelopment Assistance.....</b>	<b>16,075</b>	<b>14,000</b>	<b>15,000</b>
(F)DOE - Weatherization.....	7,749	10,000	10,000
(F)Emergency Shelter for the Homeless.....	3,000	3,000	4,500
(F)Small Communities Block Grant.....	74,635	75,000	80,000
(F)LIHEABG - Weatherization Program.....	10,400	12,000	12,000
(F)Centralia Recovery.....	90	2,000	2,000
(F)Emergency Cooling.....	0	5,823	0
(F)TANFBG-Housing Assistance.....	0	0	5,000
(A)Intergovernmental Transfer.....	0	2,000	0
<b>Community Development Bank.....</b>	<b>2,000</b>	<b>750</b>	<b>750</b>
Family Savings Accounts.....	1,250	500	1,500
(F)Assets for Independence.....	0	930	1,000
Shared Municipal Services.....	900	900	900
<b>Enterprise Development.....</b>	<b>6,996</b>	<b>6,996</b>	<b>6,996</b>
(F)Enterprise Communities - SSBG.....	65,159	65,000	58,000
Appalachian Regional Commission.....	355	540	798
Planning Assistance.....	375	625	0
Industrial Development Assistance.....	2,000	1,700	3,000
Local Development Districts.....	2,754	3,105	3,500
Small Business Development Centers.....	3,200	3,500	4,500
Tourist Promotion Assistance.....	9,000	10,250	10,750
Community Revitalization.....	45,000	84,660	35,000
Main Street Program.....	3,099	2,500	2,500
Urban Development (6/01).....	1,000	0	0
Cultural Expositions.....	1,480	0	0
Rural Leadership Training.....	200	210	210
Flood Plain Management.....	60	150	150
(F)FEMA Technical Assistance.....	100	100	85
(F)Emergency Monitoring Program.....	150	115	0
(F)Temporary Housing- Jan 96 Flood.....	23	0	0
<b>Community Conservation and Employment.....</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
(F)Community Services Block Grant.....	22,380	23,500	25,500
(F)Supported Work Program.....	2,319	2,965	2,965
(A)Supported Work.....	110	4,305	4,306
Super Computer Center.....	2,000	2,000	0
Infrastructure Technical Assistance.....	3,000	3,500	0
Homestead Property Exclusion.....	6,000	0	0
Local Government Real Estate Rebate Administration.....	0	0	6,000
Job Creation and Retention Strategies.....	3,500	0	0
PEDFA- PA Technology Investment Authority.....	0	18,200	30,300
Welcome America.....	1,000	0	0
Regional Crime Labs.....	1,000	0	0
Fay Penn.....	500	500	0
Ali Kiski Revitalization.....	150	0	0
Tourist Product Development.....	0	0	1,000
Subtotal - State Funds.....	\$ 288,324	\$ 351,636	\$ 334,104
Subtotal - Federal Funds.....	235,605	245,433	246,550
Subtotal - Augmentations.....	534	6,305	4,306
<b>Total - Grants and Subsidies.....</b>	<b>\$ 524,463</b>	<b>\$ 603,374</b>	<b>\$ 584,960</b>



# Community and Economic Development

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99	1999-00	2000-01
	ACTUAL	AVAILABLE	BUDGET
STATE FUNDS.....	\$ 350,228	\$ 428,254	\$ 425,953
FEDERAL FUNDS.....	238,483	250,498	251,135
AUGMENTATIONS.....	5,938	12,308	10,196
RESTRICTED REVENUES.....	1,419	1,298	1,315
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 596,068</b>	<b>\$ 692,358</b>	<b>\$ 688,599</b>
<b>TOBACCO SETTLEMENT FUND:</b>			
<i>Grants and Subsidies:</i>			
Venture Capital Fund.....	\$ 0	\$ 0	\$ 16,320
<b>TOBACCO SETTLEMENT FUND TOTAL.....</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 16,320</b>
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Industrial Sites Environmental Assessment Fund.....	\$ 961	\$ 2,000	\$ 2,000
PA Economic Development Financing Authority.....	574	515	301
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 1,535</b>	<b>\$ 2,515</b>	<b>\$ 2,301</b>
<b>BEN FRANKLIN/IRC PARTNERSHIP FUND:</b>			
Ben Franklin/IRC.....	\$ 43,397	\$ 37,350	\$ 39,100
School to Work(F).....	152	0	0
NIST - Manufacturing Extension Partnership(F).....	478	3,000	0
<b>BEN FRANKLIN/IRC PARTNERSHIP FUND TOTAL.....</b>	<b>\$ 44,027</b>	<b>\$ 40,350</b>	<b>\$ 39,100</b>
<b>ENERGY DEVELOPMENT FUND:</b>			
Energy Development - Administration (EA).....	\$ 100	\$ 100	\$ 75
Energy Development Loans/Grants (EA).....	163	250	50
<b>ENERGY DEVELOPMENT FUND TOTAL.....</b>	<b>\$ 263</b>	<b>\$ 350</b>	<b>\$ 125</b>
<b>FINANCIALLY DISTRESSED MUNICIPALITIES REVOLVING LOAN FUND:</b>			
Distressed Community Assistance (EA).....	\$ 1,757	\$ 2,800	\$ 4,300
<b>HOME INVESTMENT TRUST FUND:</b>			
HOME Investment Partnership.....	\$ 10,556	\$ 15,000	\$ 15,000
<b>INDUSTRIAL DEVELOPMENT FUND:</b>			
PA Industrial Development Authority.....	\$ 22,111	\$ 20,300	\$ 13,300
<b>INDUSTRIAL SITES CLEANUP FUND:</b>			
Industrial Sites Cleanup - Administration (EA).....	\$ 100	\$ 100	\$ 100
Industrial Sites Cleanup - Projects (EA).....	2,599	14,000	14,000
<b>INDUSTRIAL SITES CLEANUP FUND TOTAL.....</b>	<b>\$ 2,699</b>	<b>\$ 14,100</b>	<b>\$ 14,100</b>
<b>LOCAL GOVERNMENT CAPITAL PROJECT LOAN FUND:</b>			
Local Government Capital Project Loans (EA).....	\$ 830	\$ 1,000	\$ 1,000
<b>MACHINERY AND EQUIPMENT LOAN FUND:</b>			
General Operations (EA).....	\$ 150	\$ 150	\$ 175
Machinery and Equipment Loans (EA).....	13,818	19,000	19,000
<b>MACHINERY AND EQUIPMENT LOAN FUND TOTAL.....</b>	<b>\$ 13,968</b>	<b>\$ 19,150</b>	<b>\$ 19,175</b>





# Community and Economic Development

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
<b>MINORITY BUSINESS DEVELOPMENT FUND:</b>			
General Operations (EA).....	\$ 1,000	\$ 500	\$ 50
Minority Business Development Loans (EA).....	1,303	1,000	1,000
Transfer to Small Business First Fund (EA).....	5,000	1,000	0
<b>MINORITY BUSINESS DEVELOPMENT FUND TOTAL.....</b>	<b>\$ 7,303</b>	<b>\$ 2,500</b>	<b>\$ 1,050</b>
<b>SMALL BUSINESS FIRST FUND:</b>			
Administration (EA).....	\$ 900	\$ 925	\$ 1,000
Loans (EA).....	13,599	35,500	37,000
Pollution Prevention Loans (EA).....	0	2,000	2,000
EDA - Loans (EA).....	523	1,000	500
Environmental Loans (EA).....	13	1,500	1,500
EDA - Defense Conversion (EA).....	400	500	200
Community Economic Development Loans (EA).....	0	5,000	4,000
Child Care Start-Up (EA).....	0	0	500
<b>SMALL BUSINESS FIRST FUND TOTAL.....</b>	<b>\$ 15,435</b>	<b>\$ 46,425</b>	<b>\$ 46,700</b>
<b>UNDERGROUND STORAGE TANK INDEMNIFICATION FUND:</b>			
Underground Storage Tank Administration (EA).....	\$ 489	\$ 757	\$ 576
Upgrade Loans (EA).....	6,168	20,000	20,000
<b>UNDERGROUND STORAGE TANK INDEMNIFICATION FUND TOTAL.....</b>	<b>\$ 6,657</b>	<b>\$ 20,757</b>	<b>\$ 20,576</b>
<b>WORKMEN'S COMPENSATION ADMINISTRATION FUND:</b>			
Small Business Advocate - Workers' Compensation (R).....	\$ 149	\$ 176	\$ 178
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 350,228	\$ 428,254	\$ 425,953
SPECIAL FUNDS.....	0	0	16,320
FEDERAL FUNDS.....	238,483	250,498	251,135
AUGMENTATIONS.....	5,938	12,308	10,196
RESTRICTED.....	1,419	1,298	1,315
OTHER FUNDS.....	127,290	185,423	176,905
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 723,358</b>	<b>\$ 877,781</b>	<b>\$ 881,824</b>

Actually appropriated as \$13,558,000 for General Government Operations and \$852,000 for Computer Acquisition.

Includes recommended supplemental appropriation of \$50,000.



# Community and Economic Development

## Program Funding Summary

	(Dollar Amounts in Thousands)						
	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>COMMUNITY AND ECONOMIC DEVELOPMENT</b>							
<b>SUPPORT SERVICES</b>							
GENERAL FUND.....	\$ 60,051	\$ 71,879	\$ 85,883	\$ 81,823	\$ 83,039	\$ 84,277	\$ 85,539
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,629	3,780	4,085	4,085	4,085	4,085	4,085
OTHER FUNDS.....	6,972	7,477	7,383	7,531	7,682	7,836	7,994
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 69,652</b>	<b>\$ 83,136</b>	<b>\$ 97,351</b>	<b>\$ 93,439</b>	<b>\$ 94,806</b>	<b>\$ 96,198</b>	<b>\$ 97,618</b>
<b>BUSINESS AND JOB DEVELOPMENT</b>							
GENERAL FUND.....	\$ 157,082	\$ 192,569	\$ 224,724	\$ 185,129	\$ 185,541	\$ 185,962	\$ 156,091
SPECIAL FUNDS.....	0	0	16,320	17,619	21,241	0	0
FEDERAL FUNDS.....	49,873	46,050	45,635	45,635	45,135	45,135	45,135
OTHER FUNDS.....	70,395	126,097	117,327	98,240	97,778	97,817	96,856
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 277,350</b>	<b>\$ 364,716</b>	<b>\$ 404,006</b>	<b>\$ 346,623</b>	<b>\$ 349,695</b>	<b>\$ 328,914</b>	<b>\$ 298,082</b>
<b>TECHNOLOGY DEVELOPMENT</b>							
GENERAL FUND.....	\$ 45,400	\$ 42,400	\$ 39,100	\$ 39,100	\$ 39,100	\$ 39,100	\$ 39,100
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	44,027	40,350	39,100	39,100	39,100	39,100	39,100
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 89,427</b>	<b>\$ 82,750</b>	<b>\$ 78,200</b>	<b>\$ 78,200</b>	<b>\$ 78,200</b>	<b>\$ 78,200</b>	<b>\$ 78,200</b>
<b>COMMUNITY DEVELOPMENT</b>							
GENERAL FUND.....	\$ 87,695	\$ 121,406	\$ 76,246	\$ 76,318	\$ 76,391	\$ 76,466	\$ 76,543
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	185,981	200,668	201,415	194,415	187,415	180,415	173,415
OTHER FUNDS.....	13,253	25,105	24,606	23,906	23,712	24,024	24,342
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 286,929</b>	<b>\$ 347,179</b>	<b>\$ 302,267</b>	<b>\$ 294,639</b>	<b>\$ 287,518</b>	<b>\$ 280,905</b>	<b>\$ 274,300</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 350,228	\$ 428,254	\$ 425,953	\$ 382,370	\$ 384,071	\$ 385,805	\$ 357,273
SPECIAL FUNDS.....	0	0	16,320	17,619	21,241	0	0
FEDERAL FUNDS.....	238,483	250,498	251,135	244,135	236,635	229,635	222,635
OTHER FUNDS.....	134,647	199,029	188,416	168,777	168,272	168,777	168,292
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 723,358</b>	<b>\$ 877,781</b>	<b>\$ 881,824</b>	<b>\$ 812,901</b>	<b>\$ 810,219</b>	<b>\$ 784,217</b>	<b>\$ 748,200</b>



# Community and Economic Development

*PROGRAM OBJECTIVE: To utilize State economic development resources in a cohesive and cost-effective manner in order to assist in the job creation and retention process within the Commonwealth.*

## Program: Community and Economic Development Support Services

This program works in partnership with hundreds of local, community and regional service providers to deliver resources to businesses, communities and individuals in need of assistance. Because of the complexity of the delivery system, the department plays a key role in ensuring that the system is effective and efficient. This ensures that Pennsylvania's businesses and communities provide the opportunity for all of the Commonwealth's residents to achieve a high quality of life.

A key function is the Governor's Action Team. The Action 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 daily operations of the Department of Community and Economic Development. Marketing plays an important role in two distinct areas: promoting Pennsylvania to individuals as an attractive place to vacation in order to maximize Pennsylvania's share of the tourism dollar and promoting 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 operates two separate extensive multi-media advertising campaigns, one targeting economic development and the other targeting tourism. The department also focuses on interactive marketing to highlight Pennsylvania's economy and quality of life.

The economic development marketing component includes efforts to increase foreign and domestic investments in Pennsylvania, and to expand the markets for products of Pennsylvania firms overseas. 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 coordination of the Commonwealth's tourism program with the TPAs' efforts. The Regional Marketing Partnership Program coordinates regional efforts to promote tourist destinations and events.

Local business development efforts aid in arranging financing packages, and local marketing and promotion activities, while providing direct managerial and technical assistance to small businesses. Development of collaborative day care options by groups of small businesses is supported by grants through Act 100 of 1998.

CyberStart builds on the Governor's Link-to-Learn initiative. It is a program to provide preschool children in the Commonwealth access to Internet based learning tools and program content.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Traveler expenditures (in millions).....	\$18,800	\$19,758	\$24,000	\$24,540	\$25,090	\$25,650	\$26,230
Tourist Promotion Assistance:							
Public/private funds leveraged (in thousands).....	\$40,521	\$43,074	\$45,788	\$48,673	\$51,739	\$54,999	\$58,463

Traveler expenditures increased from those shown in last year's budget due to a change in the definition of traveler used for data collection. For purposes of statistical measurement, traveler is now defined as a person traveling 50 miles in Pennsylvania as opposed to the prior definition of traveling 100 miles.

It is estimated for fiscal year 1999-2000 that there will be 1,000 export opportunities for Pennsylvania businesses where contacts were made or sales concluded from leads provided by agency overseas representatives.



# Community and Economic Development

## Program: Community and Economic Development Support Services (continued)

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$	665	<b>General Government Operations</b> — to continue current program.	\$	159	<b>Marketing to Attract Film Business</b> — to provide for increased promotional activities.
	500	— Initiative — Keystone Building Relocation. To relocate offices to the Keystone Building.			
	250	— Initiative — Electronic Application Process. To automate the application process for grants and loans.	\$	-200	<b>International Marketing- Health Care</b> — nonrecurring project.
	1,415	<i>Appropriation Increase</i>	\$	258	<b>Appalachian Regional Commission</b> — to fund Pennsylvania's share of the Commission.
		<b>International Trade</b> — to continue current program.	\$	1,300	<b>Industrial Development Assistance</b> — PRR — Excelling in the Digital Economy. This Program Revision provides resources to increase the local and regional marketing efforts of local industrial development agencies. See the Program Revision following the Business and Job Development program for additional information.
	244	— PRR — Excelling in the Digital Economy. This Program Revision provides resources to expand international trade and marketing efforts. See the Program Revision following the Business and Job Development program for additional information.			
	287				
	531	<i>Appropriation Increase</i>			
		<b>Interactive Marketing</b> — PRR — Excelling in the Digital Economy. This Program Revision provides resources to expand marketing activities using interactive technologies. See the Program Revision following the Business and Job Development program for additional information.	\$	395	<b>Local Development Districts</b> — PRR — Excelling in the Digital Economy. This Program Revision provides resources to Local Development Districts for enhanced program and technical assistance efforts. See the Program Revision following the Business and Job Development program for additional information.
	1,500				
		<b>Marketing to Attract Tourists</b> — to continue current program.	\$	500	<b>Tourist Promotion Assistance</b> — PRR — Excelling in the Digital Economy. This Program Revision provides resources to local tourism promotion agencies. See the Program Revision following the Business and Job Development program for additional information.
	-21	— PRR — Excelling in the Digital Economy. This Program Revision provides resources to increase electronic and broadcast marketing, direct marketing and international marketing activities. See the Program Revision following the Business and Job Development program for additional information.			
	4,452				
	4,431	<i>Appropriation Increase</i>	\$	1,000	<b>Tourist Product Development</b> — PRR — Excelling in the Digital Economy. This Program Revision provides resources to establish a new tourism development program to encourage multi-county attraction and destination development. See the Program Revision following the Business and Job Development program for additional information.
		<b>Marketing to Attract Business</b> — nonrecurring grant.			
	-300	— PRR — Excelling in the Digital Economy. This Program Revision provides resources to expand and enhance business marketing activities. See the Program Revision following the Business and Job Development program for additional information.			
	2,015				
	1,715	<i>Appropriation Increase</i>			
		<b>Regional Marketing Partnerships</b> — PRR — Excelling in the Digital Economy. This Program Revision provides resources to enhance regional efforts to promote Pennsylvania tourist destinations, events and cultural and historic assets. See the Program Revision following the Business and Job Development program for additional information.			
	1,000				



# Community and Economic Development

## Program: Community and Economic Development Support Services (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 14,427	\$ 17,440	\$ 18,855	\$ 18,467	\$ 18,836	\$ 19,213	\$ 19,597
International Trade .....	5,572	7,070	7,601	7,753	7,908	8,066	8,227
Interactive Marketing .....	0	4,000	5,500	5,610	5,723	5,837	5,954
Marketing to Attract Tourists .....	14,069	14,604	19,035	16,356	16,684	17,017	17,358
Marketing to Attract Business .....	6,150	5,450	7,165	5,778	5,894	6,012	6,131
Regional Marketing Partnerships .....	0	5,000	6,000	6,120	6,242	6,367	6,494
Marketing to Attract Film Business .....	444	460	619	631	644	657	670
International Marketing - Health Care .....	150	200	0	0	0	0	0
Housing Research Center .....	250	250	250	250	250	250	250
CyberStart .....	0	1,600	1,600	1,600	1,600	1,600	1,600
Historical Education/Tourism .....	3,200	0	0	0	0	0	0
Appalachian Regional Commission .....	355	540	798	798	798	798	798
Industrial Development Assistance .....	2,000	1,700	3,000	3,000	3,000	3,000	3,000
Local Development Districts .....	2,754	3,105	3,500	3,500	3,500	3,500	3,500
Tourist Promotion Assistance .....	9,000	10,250	10,750	10,750	10,750	10,750	10,750
Cultural Expositions .....	1,480	0	0	0	0	0	0
Rural Leadership Training .....	200	210	210	210	210	210	210
Tourist Product Development .....	0	0	1,000	1,000	1,000	1,000	1,000
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 60,051</b>	<b>\$ 71,879</b>	<b>\$ 85,883</b>	<b>\$ 81,823</b>	<b>\$ 83,039</b>	<b>\$ 84,277</b>	<b>\$ 85,539</b>



# Community and Economic Development

*PROGRAM OBJECTIVE: To ensure that capital for the creation, location, retention and expansion of private business is available at each step of the business life cycle for all types and sizes of business, and to make possible lower capital costs as an attraction for businesses to invest or re-invest in Pennsylvania.*

## Program: Business and Job Development

The department has a broad array of programs available to create the best possible climate for business development. In 1997-98, the department instituted a single application process to make it easier for businesses to access funding from the many available loan and grant programs.

### **Program Element: Economic Development**

Team Pennsylvania is a public-private partnership that works with the State's ten marketing regions to promote job retention, expansion and creation. The Business Calling Program is a proactive effort to contact Pennsylvania businesses to identify their needs in an effort to retain and improve their operations in Pennsylvania. Information gathered through the calling program is entered into the Resource Network database for developing long-term strategies. The Resource Network expands on the Business Resource Center to provide an Internet-based information network. This network is available to economic development professionals worldwide. It provides an efficient and effective means to access, analyze and acquire in-depth information on Pennsylvania's community and economic assets. The Human Resource Investment Council coordinates Pennsylvania's job-training programs so they are focused on improving Pennsylvania's workforce while eliminating red tape and duplication for increased efficiency. The Export Network was established to support international trade activities of PA Businesses. The Entrepreneurial Support Networks provides improved quality and availability of services to potential entrepreneurs through the ten Team Pennsylvania regions. Team Pennsylvania contributes to the Catalyst Stage Fund, which provides venture capital financing to companies ready for accelerated growth.

The Opportunity Grant Program is a tool used by the Governor's Action Team to secure job creating economic development opportunities by preserving and expanding existing industry as well as attracting economic development prospects to the Commonwealth. The program's flexibility is the key to its usefulness. Program funds are used for job training, infrastructure, land and building improvements, machinery and equipment, working capital and environmental assessment and remediation.

The Small Business First Fund was created by Act 67 of 1996. It merged the Pennsylvania Capital Loan Fund, Storage Tank Loan Fund and Air Quality Loan Fund into a single multi-purpose fund that can make loans to small businesses for a wide range of needs. Eligible uses include financing for: environmental needs like air quality, storage

tank replacement, recycling and water quality, as well as defense conversion and hospitality industry projects. In addition the Small Business First Fund provides financial assistance for export related, advanced technology and computer related services. The Department began the Community and Economic Development Loan Program for small businesses located in distressed areas that have social or economic disadvantage in 1999. Act 100 of 1998 allows for the Fund to provide pollution prevention loans funded through a transfer from the Hazardous Sites Cleanup Fund.

The Infrastructure Development program provides grants and loans to develop and improve business sites. Funding may be provided for specific infrastructure improvements necessary to complement planned industrial investment by private companies, to restore blighted land to productive use and to develop the restored land, or to develop local infrastructure at present and future business sites. Local public and nonprofit sponsors may receive grants and loans on behalf of industrial, manufacturing, research and development, agriculturally related and export service enterprises for the following improvements: energy facilities, fire and safety facilities, sewer and water systems, transportation and waste disposal facilities. Private real estate developers are also eligible if they are developing sites for eligible private companies.

The Pennsylvania Industrial Development Authority (PIDA) was established in 1956 to make long-term, low-interest business loans for job-creation or retention to firms, which are engaged in manufacturing or industrial enterprises. PIDA funds may be used for land and buildings. Current policy targets PIDA funds to small and advanced technology businesses, areas of high unemployment and enterprise zones. A qualified business may receive up to \$1 million at interest rates ranging from three and three quarters percent to six and three quarters percent, depending upon the unemployment rate in the county where the project is located.

The Machinery and Equipment Loan Fund provides low-interest loan financing to manufacturing and industrial companies to acquire and install new or used machinery and equipment. Interest rates vary depending on the county and municipality unemployment levels. A criterion of the program is that the applicant must agree to create or preserve jobs.

Job Creation Tax Credits provide \$1,000 in tax credits to approved businesses that agree to create or preserve jobs in the Commonwealth within three years. Businesses



# Community and Economic Development

## Program: Business and Job Development (continued)

must agree to create at least 25 new jobs or new jobs equaling at least 20 percent of the existing workforce. Twenty-five percent of the tax credits allocated each year must go to businesses with less than 26 employees. The tax credits may not be utilized by a business until the jobs are actually created.

The Industrial Sites Program provides grants and low-interest loan financing to companies, private real estate developers, and municipalities performing environmental site assessment and remediation work at former industrial sites. Funds are not available for companies that caused the environmental contamination on the property.

The Pennsylvania Technology Investment Authority (PTIA) is designed to meet the financing needs of high technology, knowledge-based companies that differ from the more traditional asset-based financing. PTIA is established within the Pennsylvania Economic Development Financing Authority (PEDFA). PTIA focuses on three areas—providing high-tech financing to small and medium-sized businesses; stimulating the adoption and expansion of electronic commerce; and coordinating and expanding university-based research and development in high-tech fields. Also, there is a loan guarantee which provides funds for individuals with disabilities to purchase assistive technologies so they can fully participate in their community's economy.

### Program Element: Job Training

The Customized Job Training Program supports new and existing firms in Pennsylvania by specifically training Pennsylvanians for new jobs or upgrading existing employees skills to accommodate new technologies. Customized job training plays an important role in creating and fostering an environment suitable to economic growth.

Grant funds are provided for businesses through education agencies and can be used for instructional costs, supplies, consumable materials and contracted services.

There are three components of the program:

- industry-led skills consortiums;
- standard Customized Job Training programs; and
- guaranteed training for new and expanding businesses.

### Program Element: Ports Development

The department also provides for the development of the Philadelphia, Erie and Pittsburgh ports. PENNPORTS is the agency that focuses on the economic enhancement of all three ports, including the recently created Philadelphia Regional Port Authority and Pittsburgh Port Commission, under one umbrella agency. These funds are used to aid in the development of these ports, which not only generate port and shipping related jobs, but also assist Pennsylvania firms in exporting their products.

### Program Element: Pennsylvania Economic Development Financing Authority (PEDFA)

The Pennsylvania Economic Development Financing Authority (PEDFA) pools taxable and tax-exempt financing with the ability to finance economic development projects. PEDFA can finance land, buildings, machinery and equipment. Applications must be submitted through an industrial development authority.

### Program Element: Minority Business

The Pennsylvania Minority Business Development Authority (PMBDA) offers low-interest loans to minority-owned businesses for fixed asset financing, working capital and other financing needs. These efforts can be particularly crucial given the difficulty minority entrepreneurs have in securing adequate funding, especially working capital. Beginning in 1998-99 some of these programs are provided through a transfer from the Pennsylvania Minority Business Development Fund to the Small Business First Fund.

Program Measures:	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Jobs created/retained: .....	148,143	150,000	152,000	153,000	154,000	155,000	155,000
Public/private funds leveraged (in thousands):	\$2,672,232	\$2,500,000	\$2,600,000	\$2,650,000	\$2,700,000	\$2,700,000	\$2,700,000
Businesses assisted .....	615	690	700	715	740	742	745
Opportunity grant projects .....	115	115	115	115	115	115	115

Public/private funds leveraged increased over last year's budget due to the success of the Opportunity Grant Program.

Businesses assisted decreased from last year's budget since PEDFA is undertaking fewer but larger projects.



# Community and Economic Development

## Program: Business and Job Development (continued)

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$	107	<b>Team Pennsylvania</b> — to continue current program.	\$	-4,000	<b>Infrastructure Bank</b> — nonrecurring program.
	3,000	— PRR — Excelling in the Digital Economy. This Program Revision creates a venture capital fund, enabling critical stage investments in Western Pennsylvania's technology firms. See the Program Revision following this program for additional information.			<b>Small Business Development Centers</b> — PRR — Excelling in the Digital Economy. This Program Revision provides resources to the Small Business Development Centers to provide new and enhanced services to Pennsylvania small businesses. See the Program Revision following this program for additional information.
	3,107	<i>Appropriation Increase</i>			
		<b>PENNSPORTS</b> — nonrecurring grants.			<b>Local Government Real Estate Rebate Administration</b> — for support to local governments for processing real estate rebate data.
	-1,552	<b>Transfer to PA Industrial Development Authority</b> — nonrecurring transfer.		\$ 6,000	
	-7,000	<b>Transfer to Small Business First Fund</b> — nonrecurring transfer.		\$ 30,000	<b>PEDFA — PA Technology Investment Authority</b> — PRR — Excelling in the Digital Economy. This Program Revision provides resources to increase university research and commercialization initiatives and Electronic Commerce grants to Pennsylvania businesses. See the Program Revision following this program for additional information.
	-16,000	<b>Transfer to Small Business First-Community Development</b> — for Community Economic Development Loan Program.			— PRR — Expanding Home and Community-Based Opportunities for Persons with Disabilities. This Program Revision provides loan guarantees for individuals with disabilities for the purchase of assistive technology. See the Program Revision following the Human Services program in the Department of Public Welfare for additional information.
	4,000	<b>Transfer to Machinery and Equipment Loan Fund</b> — PRR — Excelling in the Digital Economy. This Program Revision provides resources to address the demand for Machinery and Equipment Loan Fund loans. See the Program Revision following this program for additional information.		300	— nonrecurring research and other projects.
	4,000	<b>Opportunity Grant Program</b> — PRR — Excelling in the Digital Economy. This Program Revision provides resources to enhance job creation and retention investment opportunities throughout the Commonwealth. See the Program Revision following this program for additional information.		-18,200	<i>Appropriation Increase</i>
	28,000	<b>Customized Job Training</b> — PRR — Excelling in the Digital Economy. This Program Revision provides resources for WEDnetPA, the guaranteed training program for all new and expanding businesses. See the Program Revision following this program for additional information.		\$ 12,100	<b>Fay Penn</b> — nonrecurring project.
	3,000	— PRR — Excelling in the Digital Economy. This Program Revision provides resources for WEDnetPA, the guaranteed training program for all new and expanding businesses. See the Program Revision following this program for additional information.		\$ 16,320	<b>TOBACCO SETTLEMENT FUND</b> <b>Venture Capital Fund</b> — venture capital for medical research and technology development to improve the health of Commonwealth citizens.

The Promoting Self-Sufficiency and Responsibility Program Revision following the Income Maintenance program in the Department of Public Welfare provides start-up funding for nonprofit child care centers through the Small Business First Fund.





# Community and Economic Development

## Program: Business and Job Development (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Team Pennsylvania .....	\$ 8,801	\$ 8,873	\$ 11,980	\$ 6,100	\$ 6,222	\$ 6,346	\$ 6,473
PENNPORTS .....	12,041	12,796	11,244	11,469	11,698	11,932	12,171
Transfer to PA Industrial Development							
Authority .....	20,000	20,000	13,000	13,000	13,000	13,000	13,000
Transfer to Small Business First Fund .....	2,000	25,000	9,000	9,000	9,000	9,000	9,000
Transfer to Small Business First —							
Community Development .....	0	0	4,000	4,000	4,000	4,000	4,000
Transfer to Machinery and Equipment							
Loan Fund .....	1,500	2,000	6,000	6,000	6,000	6,000	6,000
Opportunity Grant Program .....	35,000	35,000	63,000	35,000	35,000	35,000	35,000
Customized Job Training .....	29,050	29,050	32,050	32,110	32,171	32,234	32,297
Infrastructure Development .....	33,280	33,500	33,500	33,500	33,500	33,500	33,500
Infrastructure Bank .....	0	4,000	0	0	0	0	0
Small Business Development Centers .....	3,200	3,500	4,500	4,500	4,500	4,500	4,500
Flood Plain Management .....	60	150	150	150	150	150	150
Homestead Property Exclusion .....	6,000	0	0	0	0	0	0
Local Government Real Estate Rebate							
Administration .....	0	0	6,000	0	0	0	0
Job Creation and Retention Strategies .....	3,500	0	0	0	0	0	0
PEDFA- PA Technology Investment							
Authority .....	0	18,200	30,300	30,300	30,300	30,300	0
Welcome America .....	1,000	0	0	0	0	0	0
Regional Crime Labs .....	1,000	0	0	0	0	0	0
Fay Penn .....	500	500	0	0	0	0	0
Ali Kiski Revitalization .....	150	0	0	0	0	0	0
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 157,082</b>	<b>\$ 192,569</b>	<b>\$ 224,724</b>	<b>\$ 185,129</b>	<b>\$ 185,541</b>	<b>\$ 185,962</b>	<b>\$ 156,091</b>
<b>TOBACCO SETTLEMENT FUND:</b>							
Venture Capital Fund .....	\$ 0	\$ 0	\$ 16,320	\$ 17,619	\$ 21,241	\$ 0	\$ 0



## Program Revision: Excelling in the Digital Economy

Pennsylvania has been a continual and leading force in technological innovations that have dramatically improved the lives of its people and changed the way they do business. As Pennsylvania enters the new millennium its people, businesses and research institutions are poised to excel in the latest technological revolution. History will judge Pennsylvania and its people by how well it harnesses the potential of this technological revolution, a revolution that promises broad opportunities and limitless possibilities.

Five years ago, the Commonwealth charted a new course to return to its economic prominence by the turn of the century. The efforts have centered on achieving dramatic improvements to the Commonwealth's business and tax climates as well as fostering a growing and expanding technology base of academic research, technology commercialization and risk-taking entrepreneurs. This Program Revision seeks to continue that course. It proposes to solidify programs and initiatives that have been recently implemented that have placed the Commonwealth in a position to excel in the digital economy.

This Program Revision is based upon four fundamental principles that have been largely responsible for the economic resurgence of the Commonwealth and its growth as a high tech leader. These guiding principles are: expanding economic freedom through further tax reduction; maximizing the potential of new technologies; strengthening traditional economic opportunities; and focusing national and world attention on Pennsylvania's people, products and opportunities.

### Expanding Economic Freedom

Uncompetitive tax structures and rates are often the largest factors inhibiting economic growth and prosperity. Many studies indicate that tax reductions alone are the single best economic development strategy governments can undertake to encourage growth and investment. Since 1995, the Commonwealth has enacted a series of the broadest business tax cuts in State history. Significant, targeted reductions have also been made in the Sales and Use Tax and the Personal Income Tax areas. Major reductions have been implemented for the Workers' Compensation and Unemployment Compensation programs. Finally, Pennsylvania has aggressively deregulated its utility sector by becoming the first state in the nation to deregulate both the electric generation and natural gas industries. Since January 1995 and continuing through the end of the proposed budget year, Pennsylvania citizens and employers will have realized cumulative tax reductions and cost savings of over \$13.9 billion. Reductions in taxes on individuals and employers will exceed \$6.2 billion, reforms to the Workers' Compensation Program will produce cumulative savings of \$970 million, Unemployment

Compensation taxes will have been reduced by \$1.6 billion for employers and over \$1.2 billion for employees, and regulatory reforms and the deregulation of certain utilities will have produced over \$3.3 billion in savings to Pennsylvanians. These cost savings have been and will continue to be put to better and more economically productive uses by individual taxpayers and employers than by government. These cost savings represent significant opportunities to reinvest in the Commonwealth's people and technological future. This Program Revision continues this forward-thinking approach to economic development and dramatically expands upon it by including the largest proposed tax cuts in State history. These proposed tax cuts include: further business tax cuts to continue the Commonwealth's economic expansion; technology utilization incentive reductions in the Sales and Use Tax; targeted reductions in the Personal Income Tax; and a temporary property tax relief program.

This Program Revision recommends elimination of an entire tax with the scheduled phase-out of what may be the most burdensome, uncompetitive, job-crushing tax in the nation, the Capital Stock and Franchise Tax (CSFT). The CSFT is levied on the capital stock value of domestic and foreign corporations conducting business in the Commonwealth. Since it is primarily based on assets rather than income, the levy is unrelated to a firm's ability to pay. To dramatically enhance the capacity of firms to reinvest funds to locate, expand or diversify their businesses, this Program Revision proposes an initial 2 mill reduction and subsequent annual reductions of 1 mill per year in the CSFT rate until the tax has been eliminated. This change, which would be retroactive to January 1, 2000 and initially lower the CSFT rate from 10.99 to 8.99 mills, would eventually represent an annual reduction in tax revenue of more than \$1 billion. Through these reductions, the CSFT would be phased-out over a ten-year period and be fully repealed on January 1, 2009. The CSFT phase-out proposal represents a long-term tax policy commitment by the Commonwealth to ensure continued economic growth and to radically improve the business climate in the Commonwealth. This Program Revision also recommends the total elimination of the mandatory minimum Capital Stock and Franchise Tax of \$200 which would also be retroactive to January 1, 2000.

To continue Pennsylvania's progress into the technology age and to enhance Pennsylvanian's use of computer applications, this Program Revision proposes a personal computer sales tax holiday as an incentive to purchase a personal computer for household use. When enacted, Pennsylvania will be the first state in the nation to offer such a sales tax holiday. Pennsylvanians will be afforded two eight-day opportunities to purchase a home computer



## Program Revision: Excelling in the Digital Economy (continued)

that is sales tax free. The computer sales tax holiday is a one-time only tax break designed to encourage Pennsylvanians to purchase a personal computer and to embrace technology.

Previous tax cut proposals for individuals have been targeted to help working individuals and families stretch their income to cover more than just basic living expenses. Previous tax cuts have enabled hard working individuals and families to seize new opportunities, save for the future or start a new business. This Program Revision continues that commitment and proposes to further increase the amount of discretionary income working families retain by amending the special forgiveness provisions in Pennsylvania's Personal Income Tax. Special tax forgiveness provisions to the Pennsylvania Personal Income Tax (PIT) allow eligible claimants to reduce their tax liability depending upon the amount of their eligible income. This Program Revision increases the dependent exemption from \$6,500 to \$7,500. With this proposal, a qualifying family of four with taxable income up to \$28,000 will owe no tax, for an annual savings of \$627. This proposal will assist over 56,000 working Pennsylvania individuals and families.

The real estate property tax is the only tax authorized by law to be levied by all classes of local government in the State. Every property owner in the Commonwealth pays real estate taxes to three independent taxing authorities. It is the leading local revenue producer in Pennsylvania, accounting for approximately 70 percent of the local taxes collected in a given year. Increases in local property taxes are one of the most highly visible tax changes apparent to most Pennsylvanians. Numerous increases in local real estate taxes have occurred in recent years and appear to be a paramount concern for the Commonwealth's citizens. In recognition of these concerns this Program Revision proposes the Keystone Homestead Rebate initiative which will be the largest property tax relief program in the Commonwealth. This one-time only initiative will provide a homestead property tax rebate in an amount equal to 100% of the real estate property tax paid to a school district for the 1999-00 tax year up to a maximum of \$100. This initiative will likely impact over three million homeowners. Pennsylvanians participating in the Property Tax/Rent Rebate (PT/RR) program will also be included in the Keystone Homestead Rebate initiative. Qualified senior citizens who are receiving PT/RR assistance will be able to apply for this new initiative. Low-income elderly individuals will receive additional one-time assistance by the new Keystone Homestead Rebate.

### Maximizing New Technology

Around the turn of the last century, Pennsylvania entrepreneurs and businesses were maximizing the technology of the day to propel the Industrial Revolution.

As the Commonwealth enters the new millennium it is once again harnessing technological advances to best serve Pennsylvanians and the world. Through the reliance upon computers, e-commerce and the internet, the world is closer than ever before, simply a mouse click away. While today there are more free markets and customers for Pennsylvania products, there are also more businesses throughout the world competing for these same customers. To survive, Pennsylvania companies have to do things first that no one else is doing. This new business dynamic demands that companies base their competitive position on creativity and innovation.

Similarly a new public, private and academic model of business and technological initiatives is required. One such major public-private partnership is growing through continued implementation of the Pennsylvania Technology Investment Authority (PTIA). The creation of the PTIA was designed to enable Pennsylvania to meet the financing needs of high technology, knowledge-based companies that differ from the more traditional asset-based financing. This transformation is providing new financing tools for technology companies and refocusing business development activities to the demands of the new economy. The PTIA decisively focuses the Commonwealth's economic development strategies to serve as a catalyst to better position Pennsylvania in the digital economy. PTIA's mission is threefold. First, to provide high-tech financing to small and medium-sized firms. Second, to stimulate the adoption and expansion of electronic commerce, both in the public as well as the private sector. Finally, to coordinate and expand university-based research and development in high-tech fields.

This Program Revision builds upon the foundations of the PTIA and expands its capabilities by providing \$30 million to continue the capitalization of the new program. Full capitalization of the PTIA will be completed over a five-year period and result in over \$140 million in technology investments to grow, attract and retain high-tech knowledge-based firms and entrepreneurs.

As part of the \$30 million provided to the PTIA through this Program Revision, the availability of high-tech financing will be expanded by \$10 million. This is the second year installment toward the total \$50 million pool for this purpose. This pool of financing, which will be capitalized over a five-year period, will give the PTIA the flexibility to provide direct loans, grants and equity investments in high-tech businesses and communities. The flexibility of PTIA will also enable Pennsylvania to be more competitive with other states through the ability to rapidly provide high-tech firms with facilities on a lease basis.

Of the \$30 million, \$4.5 million is recommended to aggressively encourage the early adoption of electronic commerce practices. It has become abundantly clear that



## Program Revision: Excelling in the Digital Economy (continued)

to compete in the digital economy, businesses must become proficient in electronic commerce. Examples exist already. Public-private partnerships such as the Lighting Manufacturing initiative will harness the power of the internet to improve efficiencies. With the recent passage of Act 69 of 1999, the Electronic Transactions Act, Pennsylvania is the first state in the nation that gives the e-signature the same legal standing as a signature on paper. These changes are encouraging Commonwealth businesses to embrace e-commerce. The funding recommended by this Program Revision will assist a significant number of small and medium-sized businesses to adopt e-commerce practices.

This Program Revision also proposes an increase in support for PTIA's university-based research initiatives. In the new digital economy, there is an ever deepening relationship between university research and the nation's fastest growing companies in the development of new technologies and products. As home to several world-renowned research universities, Pennsylvania is well positioned to lead the nation in the collaborative interchange between universities and businesses. This Program Revision recommends \$15 million to enhance university technology-based research, facilitate the commercialization of new technologies, and link university capabilities and resources to technology company attraction activities. This Program Revision also recommends the consolidation of two existing National Science Foundation and Research and Development support matching grants into PTIA.

Foreign investment will also be targeted through the continued development of Technology Trade Ports. These Trade Ports will be used as follow-up mechanisms to overseas missions and will utilize video conferencing and virtual trade shows to attract foreign investment. Technology Trade Ports will promote PTIA's ability to finance state-of-the-art facilities that can serve as a foreign technology company's entry in the North American market. This Program Revision provides \$500,000 to enhance and expand Technology Trade Ports.

Additionally, this Program Revision recommends \$2.2 million in increased support for the Ben Franklin Centers and the Industrial Resource Centers (IRC). This recommendation will provide \$1 million for the IRCs to accelerate the use of electronic content in traditional products and to encourage the use of information technologies by small and medium-sized manufacturers in order to increase their productivity and to participate in business-to-business e-commerce. This Program Revision will also provide a \$1 million increase for the Ben Franklin Centers to provide matching dollars for equity financing to develop new technologies directly emerging from industry and university-led technology development initiatives. This Program Revision also proposes \$200,000 for the PENNTAP program.

Harnessing the creative ideas and innovations being produced at the Commonwealth's numerous research colleges and universities and channeling them into product development and commercialization has been another major focus of Pennsylvania's technology-based economic development strategy. In 1998, the Commonwealth partnered with Safeguard Scientific and the Pennsylvania Public School Employees' Retirement System to create the Early Stage Partners venture fund. The public/private partnership's goal is to address the nationally recognized "gap" between traditional seed funding investments (under \$250,000) and the rising minimum of venture capital investments (about \$4-5 million). This innovative partnership has created a pool of Pennsylvania capital that is being invested in companies that are poised for accelerated growth. This Program Revision proposes to duplicate the success of the Early Stage Partners fund in Western Pennsylvania. A similar public/private partnership would include the area's major research universities, financial institutions and institutional investors to provide critical "gap" financing for emerging companies in Western Pennsylvania. This Program Revision recommends \$3 million to support the Western Early Stage Fund. This privately operated fund will make annual critical stage investments in some of Western Pennsylvania's emerging technology firms. It is estimated that the funding provided by this Program Revision will leverage between \$40 and \$60 million in additional private investment.

A continuing reduction in burdensome and job-crushing taxes and greater support for digital entrepreneurs are two significant economic development strategies that the Commonwealth has been implementing since 1995. A third critical component to economic development is an investment in human capital through workforce development. The strong State and national economies and the increasing technological nature of virtually all jobs in Pennsylvania are creating challenges for employers to attract, retain and develop its workforce. Workers who are highly skilled and highly trained in the creation, application, and use of the latest, cutting-edge technology have become one of the main drivers of the new economy. To address these needs, the Commonwealth faces two critical workforce issues. The first is the fact that thousands of students stay in or come to Pennsylvania to receive their higher education, but many leave for career opportunities elsewhere. The challenge is to retain them by encouraging them to start their careers in Pennsylvania upon graduation. The second critical issue is ensuring that Pennsylvania workers have the knowledge and skills they need to succeed in the jobs of the new economy. The competitiveness of Pennsylvania firms and the standard of living of Pennsylvania communities depend upon the ability to supply the knowledge power for the industries and drivers of the new economy.



## Program Revision: Excelling in the Digital Economy (continued)

In response, Pennsylvania created two initiatives in 1999-00 to address these critical issues: the "SciTech Scholars Program" and the "GI Bill for the New Economy." The SciTech Scholars Program has been established to target Pennsylvania college and university students majoring in a science or technology-related field of study. Scholarships of \$3,000 a year are awarded to Pennsylvania residents enrolled at a Pennsylvania public or private college or university for their second through fourth years of education. The SciTech Scholars Program will continue for a fifth year if it is required for graduation. Students must maintain a grade point average (GPA) of 3.0 or higher, complete an internship with a Pennsylvania company, and work in Pennsylvania following graduation for each year of scholarship received or the scholarship reverts to a loan that must be repaid. The GI Bill for the New Economy targets students and workers seeking less than a four-year degree in a science or technology-related field. Scholarships of \$1,000 a year are awarded to Pennsylvania students and workers enrolled at a Pennsylvania community college or two-year private technical institute, for the first and second years of study. These scholarships can cut in half the cost for tuition and fees at most of Pennsylvania's community colleges. Scholarship recipients must maintain a 3.0 GPA and complete their associate's degree or the scholarship reverts to a loan.

This Program Revision provides \$17 million in second year funding for these technology and workforce development initiatives. Once fully implemented, these initiatives will provide an estimated \$50 million per year in technology scholarships and benefit approximately 23,000 students.

In addition to providing innovative technology-based scholarships to train knowledge-workers, enhancing the skills of Pennsylvania's current workers has been a major economic development focus of the Commonwealth. Pennsylvania is now at the forefront of innovative approaches to workforce training through a revitalized Customized Job Training (CJT) program. WEDnetPA, the guaranteed training program for new and expanding businesses, is a major part of the revitalized CJT program. Under this program, if the training does not meet the standards agreed to between the company and the educational provider, the provider must retrain the employees at no cost. This guarantee is targeted to manufacturing and technology-based service companies providing full time equivalent jobs which are at least 150 percent of minimum wage. WEDnetPA has trained over 9,200 employees in the first nine months of operation. This success has spurred further demand and this Program Revision recommends an additional \$3 million to support an expanded CJT program. Together these initiatives will help to ensure that Pennsylvania has the highly skilled and trained workers required by the new economy.

## Strengthening Economic Opportunities

Recent efforts have redirected the mix of traditional economic development financial assistance programs. The result has been a streamlined, consolidated and focused strategy that is responsive to the challenges, demands and vision of Pennsylvania businesses. This strategy is focused on flexibility, coordination and regional empowerment. Streamlined economic development strategies have resulted in a number of traditional financing programs that require periodic re-capitalization. This Program Revision proposes to augment two of the Commonwealth's traditional economic development tools in order to respond to market developments and investment opportunities. One such tool, the Machinery and Equipment Loan Fund, provides low interest loan financing to traditional manufacturing and industrial companies to acquire and install new or used machinery and equipment. Funding for this economic development tool is monitored on a demand-basis and the Commonwealth periodically re-capitalizes this loan program to expand its capabilities. This Program Revision proposes an additional \$4 million for the Machinery and Equipment Loan Fund to respond to market demands and investment opportunities as well as to ensure the fund's financial status.

Pennsylvania's economy is producing growth opportunities at levels unseen since the beginning of the last century. This Program Revision recommends a dramatic increase in the financing of these tools in order to maximize the impact of emerging opportunities. An additional \$28 million in funding for the Opportunity Grant program is proposed through this Program Revision. The additional funds will be utilized to participate in exceptional investment opportunities throughout the Commonwealth. Investment in these additional projects will provide opportunities for extraordinary job creation while building on existing workforce, infrastructure and intellectual strengths of the Commonwealth.

In addition to direct investment in economic development projects, Pennsylvania utilizes an extensive and mature network of local and regional economic development agencies that provide a wide range of services to businesses throughout the Commonwealth. Pennsylvania's seven Local Development Districts (LDDs) function as regional community and economic development organizations. Given the increased cooperation and the regional approach that these organizations provide the Commonwealth, this Program Revision recommends an additional \$395,000 in funding support to enhance existing program and technical assistance efforts. Local industrial development agencies receive funding support from the Commonwealth in order to expand their marketing and business attraction and retention strategies. This Program Revision recommends a \$1.3 million increase in support for these organizations so they may significantly increase their local and regional marketing efforts and fully engage



## Program Revision: Excelling in the Digital Economy (continued)

the Commonwealth's high technology agenda. Similarly, funding for the Small Business Development Centers supports a network of 16 centers and 95 community outreach offices throughout the State to provide services to present and prospective small business owners. This Program Revision recommends a \$1 million increase in support for Small Business Development Centers in order to provide new services critical to the continued growth and development of Pennsylvania small businesses, in particular high technology businesses.

### Focusing World Attention on Pennsylvania

The year 2000 provides unique opportunities to aggressively market Pennsylvania as an attractive site for technology research and development, business growth and relocation as well as to highlight the Commonwealth's exceptional tourism destinations. Quite literally, the focus of the nation and the world will be on Pennsylvania as it hosts the National Governor's Association and the Republican National Convention in 2000. These national events provide the opportunity to highlight Pennsylvania's new approach to technology development, workforce development economic expansion, job creation, regulatory reforms, utility deregulation and dramatic tax reductions. This Program Revision seeks to bolster Pennsylvania's marketing efforts to fully capitalize on these unique opportunities by providing an additional \$10.4 million to focus national and world attention on Pennsylvania's people, products and opportunities.

Pennsylvania has emerged as a leader in the use of interactive technologies for tourism and business development. Recently the Commonwealth began an expansive interactive marketing campaign with a total of nine tourism websites introduced, with the "Fall in PA" website having generated over 12 million hits. This Program Revision further advances Pennsylvania's leadership by expanding the focus of internet-based marketing activities. Interactive marketing is a cornerstone of regional empowerment and global access. Information technologies have provided unprecedented global exposure to Pennsylvania's vast cultural, natural and historic resources. The Commonwealth recently introduced the new Interactive Marketing Program with the goal of shifting up to 50 percent of all marketing expenditures to web-based technologies. This Program Revision continues that commitment by providing an additional \$1.5 million for expanded interactive marketing activities.

Tourism and tourist related businesses comprise Pennsylvania's second largest industry which impacts every corner of the Commonwealth. Competition among surrounding states in the growing tourism sector has been

increasing. Efforts to match competitor states with electronic and broadcast marketing for all seasons has been a primary goal of Pennsylvania's tourist marketing approach. This Program Revision provides an additional \$4.5 million to bolster the Commonwealth's television and radio advertising presence, increase direct marketing activities and expand international efforts.

While the Commonwealth provides a wide variety of tourism experiences, the Five-Year Plan for Tourism Development has found that the packaging of these opportunities can be enhanced. This Program Revision proposes a \$1 million pilot program to encourage the development of multi-county attraction and destination projects and initiatives. The Five-Year Plan also found that marketing to tourists can achieve greater success with local organizations taking a regional approach to joint marketing efforts. The Regional Marketing Program was established in order to partner with and among local tourism agencies. This Program Revision recommends an additional \$1 million for the Regional Marketing Program to enhance regional efforts to promote the Commonwealth's many tourist destinations, events and cultural and historic assets. An additional \$500,000 is recommended for local tourism promotion agencies, the Commonwealth's local marketing partner.

In order to solidify the Commonwealth as a leader in the new digital economy, this Program Revision recommends over \$2 million for the Marketing to Attract Business Program. This funding will bolster Pennsylvania's ability to compete against other leading states. Additional funding will enable Pennsylvania to amplify its presence through a new television campaign and through the use of interactive technologies. This increased funding will enable Pennsylvania to maximize the benefit of an aggressive promotion campaign during a year when the best of Pennsylvania will be on display to the nation and the world.

Achieving a global presence, reaching new international markets and promoting Pennsylvania's products and people to the world has been a marketing and economic development goal of the Commonwealth since 1995. Pennsylvania has designed a "hub and spoke" network of overseas offices and representatives with hub offices in four countries and spoke representation in thirteen other countries. This Program Revision recommends \$287,000 for the International Trade Program in order to continue to expand overseas operations. Investment in international offices has resulted in significant economic benefits for the Commonwealth. In 1998-99, Pennsylvania's world-wide trade office network delivered more than \$65 million in new sales for Pennsylvania businesses.



# Community and Economic Development

## Program Revision: Excelling in the Digital Economy (continued)

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Technology related jobs created							
Current .....	2,150	3,100	3,200	3,300	3,400	3,500	3,600
Program Revision .....	0	0	3,410	3,750	4,150	4,550	5,005
Technology related public/private funds leveraged (in thousands)							
Current .....	\$150,738	\$151,000	\$151,000	\$151,000	\$151,000	\$151,000	\$151,000
Program Revision .....	\$0	\$0	\$155,000	\$156,000	\$157,000	\$158,000	\$160,000
Technology related businesses assisted							
Current .....	1,836	1,840	1,840	1,840	1,840	1,840	1,840
Program Revision .....	0	0	1,975	1,980	1,985	1,990	2,000
Local Development Districts matches completed							
Program Revision .....	0	0	500	500	500	500	500
Students receiving SciTech Scholarships or GI Bill for the New Economy							
Program Revision .....	0	0	7,667	15,334	23,001	23,001	23,001
Travel expenditures (in millions)							
Current .....	\$18,800	\$19,758	\$20,766	\$21,825	\$22,938	\$24,108	\$25,337
Program Revision .....	\$0	\$0	\$24,000	\$24,540	\$25,090	\$25,650	\$26,230
Tourist Promotion Assistance: public/private funds leveraged (in thousands)							
Current .....	\$40,521	\$43,074	\$45,000	\$46,000	\$48,000	\$50,000	\$51,000
Program Revision .....	\$0	\$0	\$45,788	\$48,673	\$51,739	\$54,999	\$58,463
Additional overseas offices and representatives fully funded							
Program Revision .....	0	0	5	5	5	5	5

### Program Revision Recommendations: This budget recommends the following changes: (Dollar Amounts in Thousands)

	<b>GENERAL FUND COMMUNITY AND ECONOMIC DEVELOPMENT</b>		\$ -2,000	<b>Super Computer Center</b> — to redirect funding to the Pennsylvania Technology Investment Authority to link university resources with economic opportunities.
\$ 10,000	<b>PEDFA-Pennsylvania Technology Investment Authority</b> — to establish a pool of financing for high technology businesses and communities. Technology financing will be available through the Pennsylvania Technology Investment Authority.		\$ -3,500	<b>Infrastructure Technical Assistance</b> — to redirect funding to the Pennsylvania Technology Investment Authority to link university resources with economic opportunities.
\$ 4,500	— to provide for electronic commerce grants to encourage full participation in the digital economy.		\$ 2,200	<b>Transfer to Ben Franklin/IRC Fund</b> — to provide additional resources to the Ben Franklin Centers and Industrial Resource Centers for new industry and university technology development initiatives.
\$ 15,000	— to coordinate university research and foster greater synergy between university research and technology commercialization and job creation.		\$ 3,000	<b>Team Pennsylvania-Western PA Venture Capital Fund</b> — to create a venture capital fund, enabling critical stage investments in Western Pennsylvania's emerging technology firms.
\$ 500	— to develop and establish Technology Trade Ports to market the Pennsylvania Technology Investment Authority's ability to provide innovative financing.		\$ 3,000	<b>Customized Job Training</b> — to provide additional resources for WEDnetPA, the guaranteed training program for new and expanding businesses.
\$ 30,000	<b>PEDFA — Pennsylvania Technology Investment Authority Total</b>			



# Community and Economic Development

## Program Revision: Excelling in the Digital Economy (continued)

### Program Revision Recommendations: (continued)

This budget recommends the following changes:  
(Dollar Amounts in Thousands)

\$ 4,000	<b>Transfer to Machinery and Equipment Loan Fund</b> — to address the demand for Machinery and Equipment Loan Fund loans.	\$ 1,000	<b>Regional Marketing Partnerships</b> — to enhance regional efforts to promote tourist destinations, events and cultural and historic assets.
\$ 28,000	<b>Opportunity Grant Program</b> — to enhance job creation and retention opportunities throughout the Commonwealth.	\$ 500	<b>Tourist Promotion Assistance</b> — to provide additional resources to the local tourism promotion agencies.
\$ 395	<b>Local Development Districts</b> — to provide program support for Local Development Districts.	\$ 2,015	<b>Marketing to Attract Business</b> — to expand and enhance business marketing activities.
\$ 1,300	<b>Industrial Development Assistance</b> — to increase the local and regional marketing efforts of industrial development organizations.	\$ 287	<b>International Trade</b> — to expand international trade and marketing efforts.
\$ 1,000	<b>Small Business Development Centers</b> — to enhance existing and new services provided by the Small Business Development Centers.	\$ 14,500	<b>HIGHER EDUCATION ASSISTANCE AGENCY SciTech and GI Bill Scholarships</b> — to provide \$3,000 scholarships to qualified students majoring in science or technology-related fields of study.
\$ 1,500	<b>Interactive Marketing</b> — to expand marketing activities using interactive technologies.	\$ 2,034	— to provide \$1,000 scholarships for qualified students and workers enrolled in eligible science and technology fields.
\$ 4,452	<b>Marketing to Attract Tourists</b> — to increase electronic and broadcast marketing, direct marketing and international marketing activities.	\$ 16,534	<b>SciTech and GI Bill Scholarships Total</b>
\$ 1,000	<b>Tourist Product Development</b> — to establish a new tourism development program to encourage multi-county attraction and destination development.	\$ 661	<b>SciTech and GI Bill Scholarships— Administration</b> — to provide administrative support for the SciTech and GI Bill Scholarships Programs.
		\$ 95,344	<b>Program Revision Total</b>

### Recommended Program Revision Costs by Appropriation:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
<b>Community and Economic Development</b>							
Opportunity Grant Program .....	\$ 0	\$ 0	\$ 28,000	\$ 0	\$ 0	\$ 0	\$ 0
Western PA Venture Capital .....	0	0	3,000	0	0	0	0
International Trade .....	0	0	287	293	299	305	311
Interactive Marketing .....	0	0	1,500	1,530	1,561	1,592	1,624
Marketing to Attract Tourists .....	0	0	4,452	1,481	1,511	1,541	1,572
Marketing to Attract Business .....	0	0	2,015	525	536	547	557
Regional Marketing Partnerships .....	0	0	1,000	1,020	1,040	1,061	1,082
Tourist Promotion Assistance .....	0	0	500	500	500	500	500
Tourist Product Development .....	0	0	1,000	1,000	1,000	1,000	1,000
Transfer to Ben Franklin/IRC .....	0	0	2,200	2,200	2,200	2,200	2,200
Customized Job Training .....	0	0	3,000	3,060	3,121	3,184	3,247
Small Business Development Centers .....	0	0	1,000	1,000	1,000	1,000	1,000
Transfer to Machinery and Equipment Loan Fund .....	0	0	4,000	4,000	4,000	4,000	4,000
Industrial Development Assistance .....	0	0	1,300	1,300	1,300	1,300	1,300





# Community and Economic Development

Program Revision: Excelling in the Digital Economy (continued)

## Recommended Program Revision Costs by Appropriation (continued):

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
<b>Community and Economic Development (continued)</b>							
Local Development Districts .....	\$ 0	\$ 0	\$ 395	\$ 395	\$ 395	\$ 395	\$ 395
Super Computer Center .....	0	0	-2,000	0	0	0	0
Infrastructure Technical Assistance .....	0	0	-3,500	0	0	0	0
PEDFA-Pennsylvania Technology Investment Authority .....	0	0	30,000	30,000	30,000	30,000	0
<b>Higher Education Assistance Agency</b>							
SciTech and GI Bill Scholarships .....	0	0	16,534	33,068	49,602	49,602	49,602
SciTech and GI Bill Scholarships — Administration .....	0	0	661	1,323	1,323	1,323	1,323
<b>GENERAL FUND TOTAL .....</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 95,344</b>	<b>\$ 82,695</b>	<b>\$ 99,388</b>	<b>\$ 99,550</b>	<b>\$ 69,713</b>

# Community and Economic Development

**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 plays in Pennsylvania's effort to remain competitive in the national and international marketplace, the Commonwealth supports efforts to develop technological advances of benefit to its businesses and industries.

The Ben Franklin Partnership/Industrial Resource Centers Partnership (BF/IRC) Program is the Commonwealth's major technology development program for business. The program promotes advanced technology in Pennsylvania's traditional and emerging manufacturing industries as well as small businesses. The program supports a wide range of initiatives to modernize machinery and equipment to improve productivity, streamline operations and increase product choice and 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 the Ben Franklin Partnership 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 are given significant direction from the Ben Franklin/IRC Partnership Advisory Board, comprised, in the majority, of private sector representatives.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Jobs created/retained: .....	2,826	2,900	2,950	3,000	3,100	3,200	3,300
Public/private funds leveraged (in thousands):	\$150,738	\$151,000	\$155,000	\$156,000	\$157,000	\$158,000	\$160,000
Businesses assisted .....	1,836	1,840	1,975	1,980	1,985	1,990	2,000

Jobs created/retained in 1998-99 has increased from last year's budget due to an increase in program participation.

## Program Recommendations: This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 2,200	<p><b>Transfer to Ben Franklin/IRC</b>                      — PRR — Excelling in the Digital Economy.                      This Program Revision provides additional resources to the Ben Franklin Centers and Industrial Resource Centers for new industry and university technology development initiatives. See the Program Revision following the Business and Job Development program for additional information</p>	\$ -3,500	<p><b>Infrastructure Technical Assistance</b>                      — PRR — Excelling in the Digital Economy.                      This Program Revision redirects funding to the Pennsylvania Technology Investment Authority to link university resources with economic opportunities. See the Program Revision following the Business and Job Development program for additional information.</p>
\$ -2,000	<p><b>Super Computer Center</b>                      — PRR — Excelling in the Digital Economy.                      This Program Revision redirects funding to the Pennsylvania Technology Investment Authority to link university resources with economic opportunities. See the Program Revision following the Business and Job Development program for additional information.</p>		



# Community and Economic Development

## Program: Technology Development (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Transfer to Ben Franklin/IRC Fund .....	\$ 40,400	\$ 36,900	\$ 39,100	\$ 39,100	\$ 39,100	\$ 39,100	\$ 39,100
Super Computer Center .....	2,000	2,000	0	0	0	0	0
Infrastructure Technical Assistance .....	3,000	3,500	0	0	0	0	0
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 45,400</b>	<b>\$ 42,400</b>	<b>\$ 39,100</b>	<b>\$ 39,100</b>	<b>\$ 39,100</b>	<b>\$ 39,100</b>	<b>\$ 39,100</b>



# Community and Economic Development

*PROGRAM OBJECTIVE: To enhance the total environment of Pennsylvania's communities through improvements in the areas of housing, community development, job training and human services.*

## Program: Community Development

### **Program Element: Housing and Redevelopment**

Housing and Redevelopment provides grants to communities, redevelopment authorities and nonprofit organizations to improve blighted neighborhoods through redevelopment and to provide low and moderate income housing through rehabilitation. Through this program persons with disabilities are provided financial assistance for home modifications and home ownership through both the Department of Community and Economic Development and the Pennsylvania Housing Finance Agency (PHFA). Within this program, Downtown Assistance and Preservation funds help revitalize central business districts in aging communities.

The weatherization component of the program 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 U.S. Department of Energy weatherization funds.

The National Affordable Housing Act of 1990 provides funding 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. HOME Investment Trust Fund monies are provided to PHFA through the department for development of affordable rental housing and home ownership through the acquisition, construction, or housing rehabilitation.

### **Program Element: Pennsylvania Housing Finance Agency**

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 Single Family Homeownership Program is the PHFA homebuyer assistance program which offers below market rate mortgage loans to first time buyers of single-family houses. Funds to operate the program come from the sale

of mortgage revenue bonds. In 1998-99, \$380 million in taxable and tax-exempt bonds were sold to provide approximately 5,300 mortgages to first time homebuyers throughout Pennsylvania.

The PHFA also operates the Homeowners Emergency Mortgage Assistance Program (HEMAP), a program to protect distressed homeowners from foreclosure. HEMAP was established by Act 91 of 1983, and amended by Act 160 of 1998 to protect citizens who, through no fault of their own, are in danger of losing their homes to foreclosure. Eligible applicants receive assistance in an amount sufficient to bring mortgage payments current and may also receive continuing assistance for up to 24 months. HEMAP payments are loans upon which repayment begins and interest starts to accrue when the recipient is financially able to pay. Current law requires HEMAP loan recipients to repay their loans only so long as the recipient's housing expense (mortgage, taxes, utilities and insurance) does not exceed 40 percent of net household income (gross income minus federal, state and local income taxes).

PHFA has channeled over \$177 million of General Fund monies into HEMAP to save more than 25,000 homes from foreclosure. The provisions of Act 160 of 1998 has moved HEMAP from reliance on General Fund monies to a self-sustaining revolving loan program.

### **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.

The State funded Enterprise Zone Program 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 Neighborhood Assistance Tax Credits.

The Land Use Planning Assistance Program helps communities develop strategies and plans for economic development, growth management and environmental protection. This program addresses issues raised by the 21<sup>st</sup> Century Commission and contains the Planning Assistance Program.

The Shared Municipal Services Program assists communities in improving operational efficiencies through cooperative activities. This program assists Councils of Governments and other agencies in implementing programs



# Community and Economic Development

## Program: Community Development (continued)

of inter-municipal cooperation, which will reduce local government costs and implement more efficient and coordinated local government programs and services.

Communities declared financially distressed in accordance with the provisions of Act 157 of 1988 receive assistance in the form of grants and loans.

Act 23 of 1997 established the Family Savings Account Program to provide matching funds as an incentive for low-income families to establish savings accounts for home ownership, educational expenses and to start businesses.

Act 92 of 1998 established the Keystone Opportunity Zones (KOZs). The KOZs are community development initiatives to revive economically distressed urban and rural communities. These zones are defined, limited areas in communities with greatly reduced or no tax burdens for residents and businesses located within the zones. Twelve zones are designated for this one-time program and tax waivers will exist for up to twelve years.

The Job Enhancement Act as amended by Act 100 of 1998 establishes the Community Development Bank. The bank makes capital available for community development lending and provides technical assistance grants to promote the creation and ownership of Community Development Financial Institutions within distressed communities.

### **Program Element: Job Training and Human Services**

The Community Conservation and Employment Program provides funds to municipalities, community action agencies and nonprofit sponsors for the development of employment opportunity and 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.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Housing and Redevelopment:</b>							
Rehabilitation of existing units with							
State funds .....	2,000	1,500	1,500	1,500	1,500	1,500	1,500
Homes weatherized .....	7,336	6,000	6,000	6,000	6,000	5,500	5,500
<b>Housing Finance Agency:</b>							
Approved mortgage assistance loans .....	2,004	1,600	1,400	1,300	1,200	1,200	1,200
Annual value of assistance loans recorded (in thousands) .....	\$18,224	\$14,400	\$12,600	\$11,700	\$10,800	\$10,800	\$10,800
<b>Community Development:</b>							
Designated distressed communities assisted .....	15	14	13	12	12	12	12
<b>Shared Municipal Services:</b>							
Local governments assisted .....	664	675	675	675	675	675	675
<b>Job Training and Human Services:</b>							
Persons Participating:							
Community Services Block Grant .....	330,000	360,000	360,000	375,000	400,000	425,000	450,000
Employment related services and training projects .....	1,700	1,700	1,700	1,700	1,700	1,700	1,700
<b>Job Placement Program:</b>							
Persons placed (Supported Work) .....	1,301	1,600	1,600	1,600	1,600	1,700	1,800
<b>Family Savings Accounts:</b>							
Families Participating* .....	1,065	1,500	1,500	1,500	1,500	1,500	1,500
<b>Enterprise Zones:</b>							
Private business investment leveraged (in thousands)* .....	\$75,500	\$78,440	\$80,000	\$82,000	\$78,000	\$78,000	\$78,000
Jobs created/retained* .....	3,690	3,733	3,752	3,720	3,720	3,720	3,720
Average revolving loan fund capitalization (in thousands)* .....	\$1,200	\$1,325	\$1,400	\$1,450	\$1,300	\$1,300	\$1,300

Local governments assisted in Shared Municipal Services increased from last year's budget as a result of program expansion and increased awareness of the program.

Persons participating in Community Services Block Grant is decreasing compared to last year's projection due to changes in the program which provide more individualized services.

Job placements have increased from the projection in last year's budget because of an expanded program by the Department of Public Welfare.

\*New measure.



# Community and Economic Development

## Program: Community Development (continued)

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$	3,125	<b>Land Use Planning Assistance</b> — PRR — Vision for the 21st Century Environment. This Program Revision provides additional resources to the Land Use Planning Assistance Program, focusing on sound land use and planning practices. See the Program Revision following the Environmental Protection and Management program in the Department of Environmental Protection for additional information.	\$	1,000	<b>Family Savings Accounts</b> — to increase participation.
					<b>Planning Assistance</b> — PRR — Vision for the 21st Century Environment. This Program Revision consolidates the State Planning Assistance Grants into the Land Use Planning Assistance Program. See the Program Revision following the Environmental Protection and Management program in the Department of Environmental Protection for additional information.
\$	1,000	<b>Housing &amp; Redevelopment Assistance</b> — to provide information and financial assistance for home modifications and home ownership to persons with disabilities.	\$	-49,660	<b>Community Revitalization</b> — nonrecurring projects.

All other programs are continued at the current level.

Funds to operate the Pennsylvania Housing Finance Agency programs come from the sale of mortgage revenue bonds, the Home Investment Trust Fund, transfers from the Department of Community and Economic Development, loan repayments and interest earnings. The Pennsylvania Housing Finance Agency; previously shown in a separate presentation, is now reflected in this Community Development presentation of the Department of Community and Economic Development.

In addition, the Expanding Home and Community-Based Opportunities for Persons with Disabilities Program Revision following the Human Services program in the Department of Public Welfare recommends \$5 million in Federal funds to provide financial assistance for home modifications for low-income families that include persons with disabilities. The Department of Community and Economic Development will provide \$250,000 of the \$5 million in Federal funds to the Pennsylvania Housing Finance Agency to provide home modification loans at the time of home purchase for low-income families that include persons with disabilities.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Land Use Planning Assistance .....	\$ 0	\$ 475	\$ 3,600	\$ 3,672	\$ 3,745	\$ 3,820	\$ 3,897
Transfer: Financially Distressed							
Municipalities Aid Fund .....	1,000	0	0	0	0	0	0
Housing & Redevelopment Assistance .....	16,075	14,000	15,000	15,000	15,000	15,000	15,000
Community Development Bank .....	2,000	750	750	750	750	750	750
Family Savings Accounts .....	1,250	500	1,500	1,500	1,500	1,500	1,500
Shared Municipal Services .....	900	900	900	900	900	900	900
Enterprise Development .....	6,996	6,996	6,996	6,996	6,996	6,996	6,996
Planning Assistance .....	375	625	0	0	0	0	0
Community Revitalization .....	45,000	84,660	35,000	35,000	35,000	35,000	35,000
Main Street Program .....	3,099	2,500	2,500	2,500	2,500	2,500	2,500
Urban Development (6/01) .....	1,000	0	0	0	0	0	0
Community Conservation and Employment .....	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 87,695</b>	<b>\$ 121,406</b>	<b>\$ 76,246</b>	<b>\$ 76,318</b>	<b>\$ 76,391</b>	<b>\$ 76,466</b>	<b>\$ 76,543</b>





---

# DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

*The mission of the Department of Conservation and Natural Resources is to maintain, improve and preserve State parks, to manage State forest lands to assure their long-term health, sustainability and economic use, to provide information on Pennsylvania's ecological and geologic resources and to administer grant and technical assistance programs that will benefit rivers conservation, trails and greenways, local recreation, regional heritage conservation and environmental education programs across Pennsylvania.*

The Conservation and Natural Resources Advisory Council is included in the department's presentation.



## PROGRAM REVISION

### Budgeted Amounts Include the Following Program Revisions:

Title	Appropriation	2000-01 State Funds <small>(in thousands)</small>
<b>Enhancing Information Technology to Better Serve Pennsylvania</b>		
	General Government Operations.....	\$ 16,025

This Program Revision provides resources for base stations and mobile and portable radio equipment for the Statewide Public Safety Radio System. This is part of the \$174.3 million Enhancing Information Technology to Better Serve Pennsylvania Program Revision. Please see the Program Revision following the Executive Direction program in the Executive Offices for additional information on this Program Revision.

#### Vision for the 21st Century Environment

#### GENERAL FUND

General Government Operations.....	\$	725
------------------------------------	----	-----

#### ENVIRONMENTAL STEWARDSHIP FUND

Parks and Forest Facility Rehabilitation.....	\$	24,071
Community Conservation Grants.....		8,200
Natural Diversity Conservation Grants.....		<u>300</u>
Subtotal.....	\$	32,571
Program Revision Subtotal.....	\$	<u><u>33,296</u></u>

This Program Revision provides resources for administrative and operational support to address increased grant and management responsibilities, the repair and maintenance of State Parks and Forest facilities, grants for community conservation and open space projects and grants for natural diversity conservation projects. This is part of the \$139.5 million Vision for the 21st Century Environment Program Revision. Please see the Program Revision following the Environmental Protection and Management program in the Department of Environmental Protection for additional information on this Program Revision.

Department Total.....	\$	<u><u>49,321</u></u>
-----------------------	----	----------------------





# Conservation and Natural Resources

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
--	-------------------	----------------------	-------------------

### GENERAL FUND:

#### General Government:

<b>General Government Operations.....</b>	<b>\$ 12,611</b>	<b>\$ 17,536</b>	<b>\$ 31,723</b>
(F)Surface Mining Control and Reclamation.....	173	180	180
(F)Topographic and Geologic Survey Grants.....	116	175	175
(F)Bituminous Coal Resources.....	138	230	230
(F)Intermodal Surface Transportation Act.....	2,882	4,000	4,000
(F)Land and Water Conservation Fund.....	1,070	775	600
(F)Economic Action Programs.....	100	100	100
(A)Payment for Department Services.....	102	135	135
(A)Water Well Drillers.....	49	65	65
(A)Keystone Recreation, Park and Conservation Fund.....	1,800	1,800	1,800
(A)Internet Record Imaging System.....	142	0	30
(A)Purchasing Card Rebate.....	29	30	45
Subtotal.....	<b>\$ 19,212</b>	<b>\$ 25,026</b>	<b>\$ 39,083</b>

<b>State Parks Operations.....</b>	<b>54,968</b>	<b>58,420</b>	<b>60,133</b>
(F)Recreational Trails.....	363	1,500	1,500
(F)Heritage Preservation.....	0	450	0
(F)Community Oriented Policing Services.....	0	75	75
(F)January 1996 Storm Disaster - Disaster Assistance.....	688	2,000	0
(F)September 1996 Storm Disaster - Disaster Assistance.....	129	0	0
(A)PCC Programs - Parks.....	318	400	400
(A)Reimbursement - Sewer System.....	137	95	140
(A)Reimbursement - Kings Gap Use.....	49	75	75
(A)State Parks User Fees.....	11,858	12,000	12,157
(A)Prior Year Revenue - Parks.....	290	437	450
(A)Donations.....	7	0	10
(A)Reimbursement for Services.....	46	93	95
Subtotal.....	<b>\$ 68,853</b>	<b>\$ 75,545</b>	<b>\$ 75,035</b>

<b>State Forests Operations.....</b>	<b>13,160</b>	<b>13,728</b>	<b>13,726</b>
(F)Forest Fire Protection and Control.....	295	400	400
(F)Forestry Incentives and Agriculture Conservation.....	11	50	50
(F)Forest Management and Processing.....	210	300	300
(F)Cooperative Forest Insect and Disease Control.....	250	250	250
(F)Wetland Protection Fund.....	2	200	200
(F)Nonpoint Source - Riparian Buffers.....	55	58	58
(A)Reimbursement for Services.....	671	100	100
(A)Reimbursement - Forest Fires.....	418	350	350
(A)Sale of Vehicles - Forests.....	0	25	25
(A)Private Donations.....	0	35	35
(A)Timber Sales.....	22,800	25,908	25,008
(A)PCC Programs - Forests.....	129	400	400
(A)Reimbursement - Forest Pest Management.....	0	470	470
Subtotal.....	<b>\$ 38,001</b>	<b>\$ 42,274</b>	<b>\$ 41,372</b>

<b>Forest Pest Management.....</b>	<b>2,260</b>	<b>2,349</b>	<b>3,587</b>
(F)Forest Insect and Disease Control.....	1,157	900	640
(A)Reimbursement from Counties.....	6	50	50
Subtotal.....	<b>\$ 3,423</b>	<b>\$ 3,299</b>	<b>\$ 4,277</b>

Subtotal - State Funds.....	<b>\$ 82,999</b>	<b>\$ 92,033</b>	<b>\$ 109,169</b>
Subtotal - Federal Funds.....	7,639	11,643	8,758
Subtotal - Augmentations.....	38,851	42,468	41,840
Total - General Government.....	<b>\$ 129,489</b>	<b>\$ 146,144</b>	<b>\$ 159,767</b>

#### Grants and Subsidies:

Heritage and Other Parks.....	<b>\$ 4,749</b>	<b>\$ 4,002</b>	<b>\$ 2,750</b>
-------------------------------	-----------------	-----------------	-----------------



# Conservation and Natural Resources

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99	1999-00	2000-01
	ACTUAL	AVAILABLE	BUDGET
Recreational Trails.....	0	1,000	0
Annual Fixed Charges - Flood Lands.....	38	42	42
Annual Fixed Charges - Project 70.....	29	35	35
Annual Fixed Charges - Forest Lands.....	2,419	2,450	2,450
Annual Fixed Charges - Park Lands.....	263	450	450
<b>Total - Grants and Subsidies.....</b>	<b>\$ 7,498</b>	<b>\$ 7,979</b>	<b>\$ 5,727</b>
<b>STATE FUNDS.....</b>	<b>\$ 90,497</b>	<b>\$ 100,012</b>	<b>\$ 114,896</b>
<b>FEDERAL FUNDS.....</b>	<b>7,639</b>	<b>11,643</b>	<b>8,758</b>
<b>AUGMENTATIONS.....</b>	<b>38,851</b>	<b>42,468</b>	<b>41,840</b>
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 136,987</b>	<b>\$ 154,123</b>	<b>\$ 165,494</b>
<b>ENVIRONMENTAL STEWARDSHIP FUND:</b>			
<i>General Government:</i>			
Parks & Forest Facility Rehabilitation (EA).....	\$ 0	\$ 20,015	\$ 24,071
<i>Grants and Subsidies:</i>			
Community Conservation Grants (EA).....	\$ 0	\$ 4,200	\$ 8,200
Natural Diversity Conservation Grants (EA).....	0	200	300
<b>Total - Grants and Subsidies.....</b>	<b>\$ 0</b>	<b>\$ 4,400</b>	<b>\$ 8,500</b>
<b>ENVIRONMENTAL STEWARDSHIP FUND TOTAL.....</b>	<b>\$ 0</b>	<b>\$ 24,415</b>	<b>\$ 32,571</b>
<b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</b>			
<i>General Government:</i>			
Park & Forest Facility Rehab. - Bond Proceeds (EA).....	\$ 119	\$ 0	\$ 0
Park & Forest Facility Rehab. - Realty Transfer (94-95) (EA).....	1,190	0	0
Park & Forest Facility Rehab. - Realty Transfer (95-96) (EA).....	930	932	0
Park & Forest Facility Rehab. - Realty Transfer (96-97) (EA).....	4,746	2,054	0
Park & Forest Facility Rehab. - Realty Transfer (97-98) (EA).....	8,127	7,396	0
Park & Forest Facility Rehab. - Realty Transfer (98-99) (EA).....	0	15,290	0
Park & Forest Facility Rehab. - Realty Transfer (99-00) (EA).....	0	0	15,265
<b>Total - General Government.....</b>	<b>\$ 15,112</b>	<b>\$ 25,672</b>	<b>\$ 15,265</b>
<i>Grants and Subsidies:</i>			
Grants for Local Recreation - Bond Proceeds (EA).....	\$ 5,166	\$ 0	\$ 0
Grants for Local Recreation-Realty Transfer Tax (94-95) (EA).....	4,881	3,525	0
Grants for Local Recreation-Realty Transfer Tax (95-96) (EA).....	5,911	4,834	0
Grants for Local Recreation-Realty Transfer Tax (96-97) (EA).....	8,149	8,255	0
Grants for Local Recreation-Realty Transfer Tax (97-98) (EA).....	197	11,269	0
Grants for Local Recreation-Realty Transfer Tax (98-99) (EA).....	0	12,742	0
Grants for Local Recreation-Realty Transfer Tax (99-00) (EA).....	0	0	12,721
Grants to Land Trusts - Bond Proceeds (EA).....	322	0	0
Grants to Land Trusts - Realty Transfer Tax (94-95) (EA).....	1,191	0	0
Grants to Land Trusts - Realty Transfer Tax (95-96) (EA).....	1,291	822	0
Grants to Land Trusts - Realty Transfer Tax (96-97) (EA).....	3,048	2,886	0
Grants to Land Trusts - Realty Transfer Tax (97-98) (EA).....	3,506	4,075	0
Grants to Land Trusts - Realty Transfer Tax (98-99) (EA).....	0	5,097	0
Grants to Land Trusts - Realty Transfer Tax (99-00) (EA).....	0	0	5,088
Grants to Zoos - Bond Proceeds (EA).....	919	5	0
<b>Total - Grants and Subsidies.....</b>	<b>\$ 34,581</b>	<b>\$ 53,510</b>	<b>\$ 17,809</b>



# Conservation and Natural Resources

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99	1999-00	2000-01
	ACTUAL	AVAILABLE	BUDGET
<b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL.....</b>	<b>\$ 49,693</b>	<b>\$ 79,182</b>	<b>\$ 33,074</b>
<b>MOTOR LICENSE FUND:</b>			
<i>General Government:</i>			
Dirt and Gravel Road.....	\$ 966	\$ 1,000	\$ 1,000
<b>MOTOR LICENSE FUND TOTAL.....</b>	<b>\$ 966</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Snowmobile Regulation.....	\$ 2,539	\$ 1,300	\$ 1,800
Forest Regeneration.....	1,871	2,031	2,467
Ohio State Park Water Treatment System.....	43	75	85
Forest Lands Beautification Act.....	2	1,500	1,500
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 4,455</b>	<b>\$ 4,906</b>	<b>\$ 5,852</b>
<b>ENVIRONMENTAL EDUCATION FUND:</b>			
General Operations (EA).....	\$ 55	\$ 100	\$ 100
<b>MOTOR LICENSE FUND:</b>			
Forestry Bridges - Excise Tax (EA).....	\$ 5,553	\$ 5,039	\$ 4,800
<b>OIL AND GAS LEASE FUND:</b>			
General Operations.....	\$ 7,065	\$ 3,510	\$ 6,000
<b>WILD RESOURCE CONSERVATION FUND:</b>			
General Operations (EA).....	\$ 1,105	\$ 1,104	\$ 1,100
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 90,497	\$ 100,012	\$ 114,896
SPECIAL FUNDS.....	50,659	104,597	66,645
FEDERAL FUNDS.....	7,639	11,643	8,758
AUGMENTATIONS.....	38,851	42,468	41,840
OTHER FUNDS.....	18,233	14,659	17,852
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 205,879</b>	<b>\$ 273,379</b>	<b>\$ 249,991</b>



## Program Funding Summary

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>PARKS AND FORESTS MANAGEMENT</b>							
GENERAL FUND.....	\$ 90,497	\$ 100,012	\$ 114,896	\$ 100,700	\$ 101,987	\$ 103,914	\$ 105,877
SPECIAL FUNDS.....	50,659	104,597	66,645	67,258	70,335	73,407	44,307
FEDERAL FUNDS.....	7,639	11,643	8,758	8,758	8,758	8,758	8,758
OTHER FUNDS.....	57,084	57,127	59,692	60,789	61,908	63,047	64,209
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 205,879</b>	<b>\$ 273,379</b>	<b>\$ 249,991</b>	<b>\$ 237,505</b>	<b>\$ 242,988</b>	<b>\$ 249,126</b>	<b>\$ 223,151</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 90,497	\$ 100,012	\$ 114,896	\$ 100,700	\$ 101,987	\$ 103,914	\$ 105,877
SPECIAL FUNDS.....	50,659	104,597	66,645	67,258	70,335	73,407	44,307
FEDERAL FUNDS.....	7,639	11,643	8,758	8,758	8,758	8,758	8,758
OTHER FUNDS.....	57,084	57,127	59,692	60,789	61,908	63,047	64,209
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 205,879</b>	<b>\$ 273,379</b>	<b>\$ 249,991</b>	<b>\$ 237,505</b>	<b>\$ 242,988</b>	<b>\$ 249,126</b>	<b>\$ 223,151</b>



# 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 116 parks in 61 counties. Over 249,000 acres of land and 33,500 acres of water are within these parks. They attract over 34 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. Act 68 of 1999 created the Environmental Stewardship Fund, providing funds for additional rehabilitation projects and land acquisitions as part of the "Growing Greener" initiative.

### **Program Element: Management of Forest Resources**

This 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, 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 forestlands and oversees fire, insect and disease control activities affecting Pennsylvania's forests.

Although there are five native insects that defoliate trees, the primary insect threat to Pennsylvania's forests is the gypsy moth. Fortunately, the number of forested acres heavily infested by the gypsy moth has continued to decline over the past several years. This may represent the nadir of the population cycle of these insects. In future years, if the gypsy moths increase throughout the State, the number

of acres treated will again rise. It is difficult to predict these levels due to the sudden outbreaks of one species of damaging insect or another.

The other major threat to Pennsylvania'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 Services**

This 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 to locate hazards such as sinkholes and areas prone to landslide, to catalog coal extraction, for oil and gas drilling operations, and to provide data for activities where knowledge of the Commonwealth's topography and geology is needed.

### **Program Element: Local Recreation & Conservation Programs**

The department administers Community, Land Trust, Rivers Conservation and Rail-to-Trails Grants from the Keystone Recreation, Park and Conservation Fund. Grants and technical assistance are provided to communities and non-profit organizations for the planning, acquisition, and development of park, recreation and conservation areas and facilities. The Environmental Stewardship Fund provides funds for additional grants.

The Heritage Parks Program is an economic development and conservation partnerships initiative that enables regions of the Commonwealth to comprehensively plan, enhance, manage and market significant natural, cultural, recreational and scenic resources for heritage tourism.

# Conservation and Natural Resources

## Program: Parks and Forests Management (continued)

Program Measures:	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Management of Recreation Facilities and Areas</b>							
State park attendance in visitor days (in thousands) .....	34,700	36,500	36,500	36,500	36,500	36,500	36,500
Major maintenance or restoration projects completed .....	116	151	85	87	80	85	85
Keystone Recreation, Park and Conservation Fund projects completed .....	76	65	55	60	60	60	60
Environmental Stewardship Fund projects completed .....	0	39	26	23	29	27	0
<b>Management of Forest Resources</b>							
Forest fires .....	1,313	1,100	1,000	1,000	1,000	1,000	1,000
Acres of private timber land affected by professional assistance .....	148,007	150,000	150,000	150,000	150,000	150,000	150,000
Acres receiving insect suppression .....	47,000	117,000	125,000	130,000	135,000	135,000	135,000
<b>Recreational and Conservation Programs</b>							
Keystone Recreation, Park and Conservation Fund Grants .....	300	275	275	275	275	275	275
Heritage Park Grants .....	63	62	60	60	60	60	60

Major maintenance or restoration projects increase from the projections shown in last year's budget because of additional General Fund support for these projects.

Environmental Stewardship Fund projects completed reflects the implementation of the Growing Greener initiative enacted in December of 1999.

In 1998-99, the forest fires reported reflects the actual number of occurrences and increased over the projection in last year's budget because of increased danger of forest fires due to very dry conditions.

Acres of private timber land affected by professional assistance and acres receiving insect suppression increase in all years because of new estimates that show an increasing insect population and spraying program.

Keystone Recreation, Park and Conservation Fund projects completed and grants fluctuate from the projections shown in last year's budget because project costs vary, permitting additional projects to be started, or grants to be awarded.

## Program Recommendations:

 This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 16,025	<b>General Government Operations</b> — PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides resources for base stations and mobile and portable radio equipment for agency participation in the Statewide Public Safety Radio System. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.	540 -600 -3,353 <hr/> \$ 14,187	— to continue current program. — nonrecurring GIS purchases. — nonrecurring Statewide mobile radio and microwave system.  <i>Appropriation Increase</i>
725	— PRR — Vision for the 21st Century Environment. This Program Revision provides administrative and operational support to address increased grant and management responsibilities. See the Program Revision following the Environmental Protection and Management program in the Department of Environmental Protection for additional information.	443 -632 1,350 <hr/> \$ 1,713	<b>State Parks Operations</b> — Initiative — State Parks Enhancements. To provide administrative and operating resources to support State Parks facilities. — to continue current program. — nonrecurring operating costs. — major maintenance projects.  <i>Appropriation Increase</i>
600	— Initiative — Geographic Information Systems (GIS) Enhancement. To update Pennsylvania's geographic maps using digital topographic information.	\$ 331 -333 <hr/> \$ -2	<b>State Forests Operations</b> — to continue current programs. — nonrecurring fixed assets.  <i>Appropriation Decrease</i>
250	— Initiative — Information Technology Bureau. To provide administrative and operational support for an information technology bureau.	\$ 153 1,085 <hr/> \$ 1,238	<b>Forest Pest Management</b> — to continue current program. — for additional spraying to combat predicted increase in forest pests.  <i>Appropriation Increase</i>



# Conservation and Natural Resources

## Program: Parks and Forests Management (continued)

### Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$	-1,252	<b>Heritage and Other Parks</b> — nonrecurring conservation partnership projects.	\$	8,200	<b>Community Conservation Grants</b> — PRR — Vision for the 21st Century Environment. This Program Revision provides grants for community conservation and open space projects as part of the Growing Greener initiative. See the Program Revision following the Environmental Protection and Management program in the Department of Environmental Protection for additional information.
\$	-1,000	<b>Recreational Trails</b> — nonrecurring projects.			
\$	24,071	<b>ENVIRONMENTAL STEWARDSHIP FUND</b> <b>Parks and Forest Facility Rehabilitation</b> — PRR — Vision for the 21st Century Environment. This Program Revision provides for the repair and maintenance of State Parks and Forest facilities as part of the Growing Greener initiative. See the Program Revision following the Environmental Protection and Management program in the Department of Environmental Protection for additional information.		-4,200	— for 1999-00 community conservation grants and open space projects related to the Growing Greener initiative.
		— for 1999-00 State Parks and Forests facilities repair and maintenance projects related to the Growing Greener initiative.		\$ 4,000	<i>Appropriation Increase</i>
\$	-20,015			\$ 300	<b>Natural Diversity Conservation Grants</b> — PRR — Vision for the 21st Century Environment. This Program Revision provides grants for natural diversity conservation projects as part of the Growing Greener initiative. See the Program Revision following the Environmental Protection and Management program in the Department of Environmental Protection for additional information.
\$	4,056	<i>Appropriation Increase</i>		-200	— for 1999-00 natural diversity conservation grants and projects related to the Growing Greener initiative.
				\$ 100	<i>Appropriation Increase</i>

Projects funded by the Keystone, Park and Conservation Fund will continue until the amount allotted by law is completely committed.

All other appropriations are recommended at the current year funding level.



The Department of Conservation and Natural Resources will revamp the conservation and recreation grant program to streamline the application process and provide assistance to local government and nonprofit organizations faster.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 12,611	\$ 17,536	\$ 31,723	\$ 15,931	\$ 15,638	\$ 15,951	\$ 16,270
State Parks Operations .....	54,968	58,420	60,133	61,382	62,609	63,862	65,139
State Forests Operations .....	13,160	13,728	13,726	14,001	14,281	14,567	14,858
Forest Pest Management .....	2,260	2,349	3,587	3,659	3,732	3,807	3,883
Heritage and Other Parks .....	4,749	4,002	2,750	2,750	2,750	2,750	2,750
Recreational Trails .....	0	1,000	0	0	0	0	0
Annual Fixed Charges — Flood Lands .....	38	42	42	42	42	42	42
Annual Fixed Charges — Project 70 .....	29	35	35	35	35	35	35
Annual Fixed Charges — Forest Lands .....	2,419	2,450	2,450	2,450	2,450	2,450	2,450
Annual Fixed Charges — Park Lands .....	263	450	450	450	450	450	450
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 90,497</b>	<b>\$ 100,012</b>	<b>\$ 114,896</b>	<b>\$ 100,700</b>	<b>\$ 101,987</b>	<b>\$ 103,914</b>	<b>\$ 105,877</b>



# Conservation and Natural Resources

## Program: Parks and Forests Management (continued)

### Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>ENVIRONMENTAL STEWARDSHIP FUND:</b>							
Parks & Forest Facility Rehabilitation (EA) \$	0	\$ 20,015	\$ 24,071	\$ 24,071	\$ 24,071	\$ 24,071	\$ 0
Community Conservation Grants (EA) .....	0	4,200	8,200	8,200	8,200	8,200	0
Natural Diversity Conservation Grants (EA)	0	200	300	300	300	300	0
<b>TOTAL ENVIRONMENTAL STEWARDSHIP FUND.....</b>	<b>\$ 0</b>	<b>\$ 24,415</b>	<b>\$ 32,571</b>	<b>\$ 32,571</b>	<b>\$ 32,571</b>	<b>\$ 32,571</b>	<b>\$ 0</b>
<b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</b>							
Park & Forest Facility Rehab. —							
Bond Proceeds (EA) .....	\$ 119	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Park & Forest Facility Rehab. —							
Realty Transfer (EA) .....	14,993	25,672	15,265	15,548	16,968	18,386	19,988
Grants for Local Recreation —							
Bond Proceeds (EA) .....	5,166	0	0	0	0	0	0
Grants for Local Recreation —							
Realty Transfer Tax (EA) .....	19,138	40,625	12,721	12,956	14,140	15,321	16,656
Grants to Land Trusts —							
Bond Proceeds (EA) .....	322	0	0	0	0	0	0
Grants to Land Trusts —							
Realty Transfer Tax (EA) .....	9,036	12,880	5,088	5,183	5,656	6,129	6,663
Grants to Zoos — Bond Proceeds (EA).....	919	5	0	0	0	0	0
<b>TOTAL KEYSTONE RECREATION, PARK AND CONSERVATION FUND.....</b>	<b>\$ 49,693</b>	<b>\$ 79,182</b>	<b>\$ 33,074</b>	<b>\$ 33,687</b>	<b>\$ 36,764</b>	<b>\$ 39,836</b>	<b>\$ 43,307</b>
<b>MOTOR LICENSE FUND:</b>							
Dirt and Gravel Road .....	\$ 966	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000







---

# DEPARTMENT OF CORRECTIONS

*The mission of the Department of Corrections is:*

- *To recognize and accept its public responsibility to maintain a safe and secure environment for both the incarcerated offenders and the staff responsible for them.*
- *To provide every inmate an opportunity to be constructively engaged and involved in a program of self improvement.*
- *To exercise authority over inmates that will be fair and professionally responsible.*
- *To recognize the responsibility to be open to and provide access to inmate families, religious groups and community volunteers.*
- *To be sensitive to the concerns of victims and their need for inclusion in the correctional process.*
- *To recognize that our greatest source of strength lies within our human resource – the men and women and their families who are the 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.

---



**PROGRAM REVISION**

**Budgeted Amounts Include the Following Program Revisions:**

Title	Appropriation	2000-01 State Funds (in thousands)
<b>Enhancing Information Technology to Better Serve Pennsylvania</b>		
	State Correctional Institutions.....	\$ 2,001

This Program Revision provides resources for base stations and mobile and portable radio equipment for the Statewide Public Safety Radio System. This is part of the \$174.3 million Enhancing Information Technology to Better Serve Pennsylvania Program Revision. Please see the Program Revision following the Executive Direction program in the Executive Offices for additional information on this Program Revision.

**Protecting Public Safety Through Enforcement, Prevention and Rehabilitation**

General Government Operations.....	\$ 382
Medical Care.....	885
Inmate Education and Training.....	2,121
State Correctional Institutions.....	<u>7,598</u>
 Program Revision Subtotal.....	 <u>\$ 10,986</u>

This Program Revision provides resources to expand basic and vocational education programs at State Correctional Institutions, open SCI Pine Grove and increase prison capacity at SCI Muncy and SCI Laurel Highlands. A total of \$39.1 million in State and other funds is provided by this Program Revision across four agencies.

<b>Department Total.....</b>	<b><u>\$ 12,987</u></b>
------------------------------	-------------------------



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99	1999-00	2000-01
	ACTUAL	AVAILABLE	BUDGET
<b>GENERAL FUND:</b>			
<i>Institutional:</i>			
<b>General Government Operations.....</b>	<b>\$ 27,736</b>	<b>\$ 30,849</b>	<b>\$ 38,056</b>
(F)DCSI - Tracking System.....	47	0	0
(F)DCSI - Victim Notification.....	25	0	0
(F)DCSI - Violent Crime Victims.....	86	37	0
(F)DCSI - Inmate Records.....	72	110	50
(F)DCSI - Video Conferencing.....	0	35	0
(F)DCSI - Data Information Transfer.....	0	257	150
(F)DCSI - Electronic Inmate File System.....	0	169	100
(F)DCSI - Computer Learning Center.....	40	0	0
(F)Federal Inmates.....	70	25	25
(A)County Training.....	126	175	175
(A)Purchasing Card Rebates.....	3	0	10
(A)Training Academy.....	2	132	135
Subtotal.....	<b>\$ 28,207</b>	<b>\$ 31,789</b>	<b>\$ 38,701</b>
<b>Medical Care.....</b>	<b>127,095</b>	<b>132,664</b>	<b>138,874</b>
(A)Medical Co-payment.....	283	330	330
(A)Purchasing Card Rebates.....	2	0	0
Subtotal.....	<b>\$ 127,380</b>	<b>\$ 132,994</b>	<b>\$ 139,204</b>
<b>Inmate Education and Training.....</b>	<b>26,522 a</b>	<b>31,226</b>	<b>32,646</b>
(F)Library Services.....	0	25	50
(F)Youth Offenders Education.....	110 b	277	305
(F)Correctional Education.....	1,490 b	1,642	1,296
(F)JTPA - Correctional Education.....	168 b	184	0
(A)JTPA - Matching Funds.....	167	184	0
Subtotal.....	<b>\$ 28,457</b>	<b>\$ 33,538</b>	<b>\$ 34,297</b>
<b>State Correctional Institutions.....</b>	<b>860,259</b>	<b>940,031 c</b>	<b>966,308</b>
(F)SABG - Drug and Alcohol Programs.....	2,100	2,100	2,100
(F)DCSI - Therapeutic Community.....	81	18	0
(F)DCSI - Drug Interdiction.....	33	0	0
(F)DCSI - Ionscan.....	139	39	0
(F)DCSI - Employment Opportunities.....	0	698	750
(F)Reimbursement for Alien Inmates.....	2,346	8,850	4,900
(F)RSAT - Drug Treatment.....	743	1,414	1,616
(F)Truth in Sentencing.....	23,209	47,709	16,628
(A)Community Service Centers.....	601	580	580
(A)Institutional Reimbursements.....	33	185	185
(A)Purchasing Card Rebates.....	50	182	182
(A)Rockview Dirt Sale.....	0	400	400
Subtotal.....	<b>\$ 889,594</b>	<b>\$ 1,002,206</b>	<b>\$ 993,649</b>
Subtotal - State Funds.....	<b>\$ 1,041,612</b>	<b>\$ 1,134,770</b>	<b>\$ 1,175,884</b>
Subtotal - Federal Funds.....	30,759	63,589	27,970
Subtotal - Augmentations.....	1,267	2,168	1,997
Total - Institutional.....	<b>\$ 1,073,638</b>	<b>\$ 1,200,527</b>	<b>\$ 1,205,851</b>
STATE FUNDS.....	<b>\$ 1,041,612</b>	<b>\$ 1,134,770</b>	<b>\$ 1,175,884</b>
FEDERAL FUNDS.....	30,759	63,589	27,970
AUGMENTATIONS.....	1,267	2,168	1,997
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 1,073,638</b>	<b>\$ 1,200,527</b>	<b>\$ 1,205,851</b>



**Summary by Fund and Appropriation**

	(Dollar Amounts in Thousands)		
	1998-99	1999-00	2000-01
	ACTUAL	AVAILABLE	BUDGET
<b>OTHER FUNDS:</b>			
<b>LOCAL CRIMINAL JUSTICE FUND:</b>			
Local Criminal Justice Grants(EA).....	\$ 2,509	\$ 2,000	\$ 2,000
<b>MANUFACTURING FUND:</b>			
General Operations(EA).....	\$ 35,428	\$ 40,650	\$ 41,062
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 1,041,612	\$ 1,134,770	\$ 1,175,884
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	30,759	63,589	27,970
AUGMENTATIONS.....	1,267	2,168	1,997
OTHER FUNDS.....	37,937	42,650	43,062
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 1,111,575</b>	<b>\$ 1,243,177</b>	<b>\$ 1,248,913</b>

<sup>a</sup> Includes \$16,469,000 actually appropriated as Correctional Institutions – Education in the Department of Education.

<sup>b</sup> Actually appropriated in the Department of Education.

<sup>c</sup> Includes recommended supplemental appropriation of \$43,211,000.



Program Funding Summary

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>INSTITUTIONALIZATION OF OFFENDERS</b>							
GENERAL FUND.....	\$ 1,041,612	\$ 1,134,770	\$ 1,175,884	\$ 1,214,780	\$ 1,270,494	\$ 1,308,748	\$ 1,339,454
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	30,759	63,589	27,970	27,570	27,200	27,020	26,920
OTHER FUNDS.....	39,204	44,818	45,059	45,751	44,802	45,698	46,612
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 1,111,575</b>	<b>\$ 1,243,177</b>	<b>\$ 1,248,913</b>	<b>\$ 1,288,101</b>	<b>\$ 1,342,496</b>	<b>\$ 1,381,466</b>	<b>\$ 1,412,986</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 1,041,612	\$ 1,134,770	\$ 1,175,884	\$ 1,214,780	\$ 1,270,494	\$ 1,308,748	\$ 1,339,454
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	30,759	63,589	27,970	27,570	27,200	27,020	26,920
OTHER FUNDS.....	39,204	44,818	45,059	45,751	44,802	45,698	46,612
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 1,111,575</b>	<b>\$ 1,243,177</b>	<b>\$ 1,248,913</b>	<b>\$ 1,288,101</b>	<b>\$ 1,342,496</b>	<b>\$ 1,381,466</b>	<b>\$ 1,412,986</b>



*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 25 correctional institutions, 15 community corrections centers and a motivational boot camp. There were 36,384 inmates housed in the State system at the end of December 1999 with a cell capacity of 25,228.

During 1999, institutional capacity increases occurred with:

- The opening of two new cell blocks at SCI Greene for a capacity increase of 256.
- The further opening of the new prison at Chester.
- Expansion of the restricted housing unit at SCI Frackville by 9 cells.
- A new 144 bed housing unit at SCI Cambridge Springs.
- Renovations at the Quehanna Boot Camp that will provide 50 additional beds.

The following institutional change is planned for the first six months of 2000:

- The opening of two new cell blocks at SCI Somerset increasing capacity by 256.

The State's prison expansion program is continuing in 2000-01 with:

- The opening of a 651 bed young offenders institution in Indiana County.
- The opening of a new restricted housing unit at SCI Muncy with 72 beds.
- The opening of a portion of one cell block at SCI Laurel Highlands.

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 offer inmates the opportunity to obtain high school diplomas or adult basic educational skills.

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. At these centers, inmates receive 24 hour supervision and can utilize counseling services while working or attending school.

The Department of Corrections is expanding its efforts to have inmates perform meaningful work. Community work crews have been established at most institutions. Efforts are also underway to expand Correctional Industries and to increase the use of inmates in performing institutional maintenance.



## Program: Institutionalization of Offenders (continued)

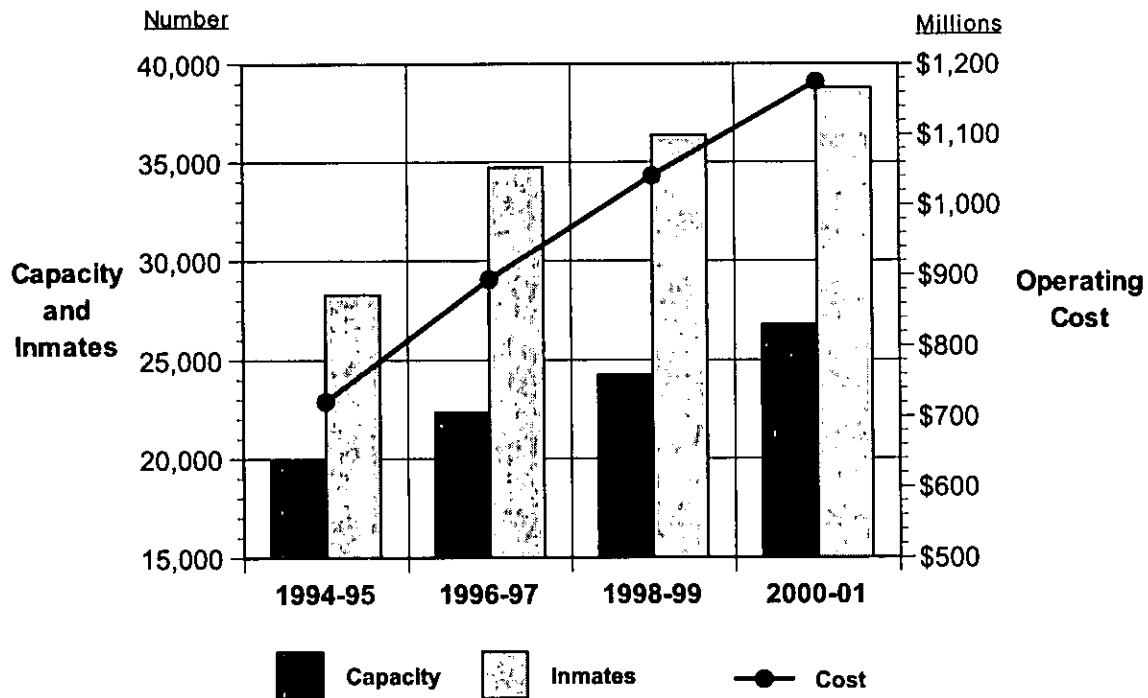
Program Measures:	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Inmates (December) .....	36,377	36,384	38,814	40,119	41,062	41,826	42,362
Prison Capacity (December) .....	24,247	25,228	26,779	27,268	27,268	27,268	27,268
Inmates in excess of capacity .....	12,130	11,156	12,035	12,851	13,794	14,558	15,094
Inmates receiving high school diplomas (GED) .....	1,416	1,450	1,500	1,540	1,570	1,590	1,600
Inmates involved in work programs .....	25,041	25,734	26,704	27,602	28,251	28,555	29,145
Inmates receiving educational training .....	9,190	9,463	9,820	10,150	10,389	10,582	10,718
Inmates receiving drug and alcohol treatment .....	14,590	15,167	15,731	16,253	16,631	16,935	17,150

Inmate population projections are from a study by the Correctional Population Projection Committee. The committee's July 1999 forecast projects a greater population growth than in previous years due to an increase in new court commitments to prison.

Inmates in excess of capacity is higher than estimated in last year's budget due to revised estimates of the inmate population and institutional capacity.

Inmates receiving high school diplomas or GED's is revised upward from last year's budget due to a higher number of inmates meeting graduation requirements.

## State Correctional Institutions Cell Capacity, Inmate Population and Operating Costs

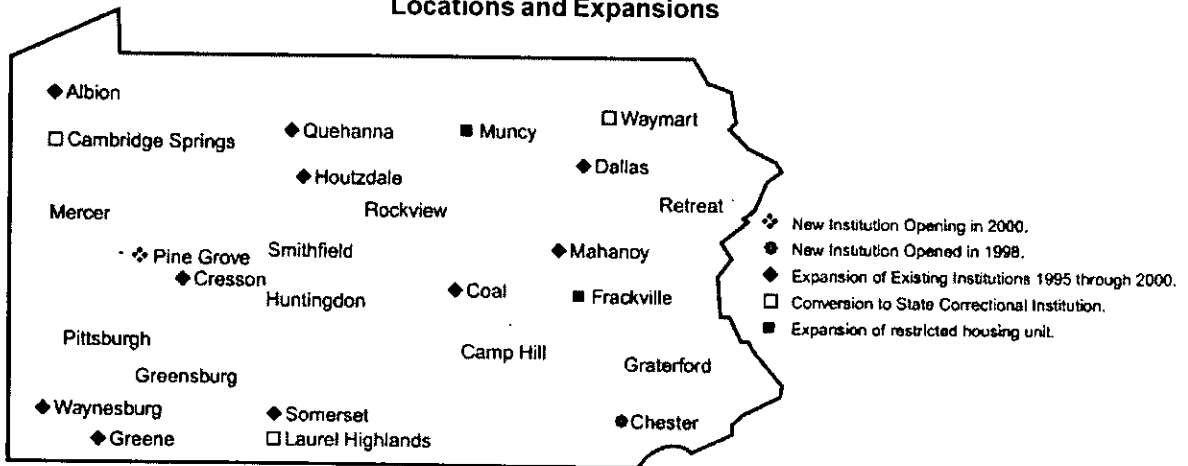


*The cost of operating the State correctional institution system has increased from \$721 million in 1994-95 to nearly \$1.2 billion in 2000-01. During this timeframe, the inmate population is projected to increase from 28,302 to 38,814 and the institutional capacity from 19,995 cells to an estimated 26,779 cells.*



## Program: Institutionalization of Offenders (continued)

### State Correctional Institutions Locations and Expansions



Population and Capacity		Population	Estimated	Capacity	Estimated
Institutions	Dec 1999	Dec 1999	Population	Dec 1999	Capacity
			Dec 2000		Dec 2000
Albion.....	1,951	1,951	2,056	1,220	1,220
Cambridge Springs.....	584	584	699	582	743
Camp Hill.....	3,152	3,152	3,355	2,059	2,059
Chester.....	993	993	1,062	656	656
Coal Township.....	1,642	1,642	1,757	964	964
Cresson.....	1,227	1,227	1,265	888	888
Dallas.....	1,810	1,810	1,963	1,232	1,236
Frackville.....	1,010	1,010	1,003	717	717
Graterford.....	3,166	3,166	3,385	2,446	2,594
Greene.....	1,697	1,697	1,754	1,332	1,332
Greensburg.....	837	837	856	566	566
Houtzdale.....	1,811	1,811	1,978	1,220	1,220
Huntingdon.....	1,977	1,977	1,937	1,412	1,412
Laurel Highlands.....	394	394	418	479	479
Mahanoy.....	1,964	1,964	2,056	1,220	1,220
Mercer.....	1,041	1,041	1,060	579	579
Muncy.....	904	904	841	596	632
Pine Grove.....	0	0	490	0	618
Pittsburgh.....	1,747	1,747	1,770	1,528	1,528
Quehanna.....	203	203	249	230	558
Retreat.....	823	823	860	458	458
Rockview.....	2,131	2,131	2,148	1,062	1,062
Smithfield.....	1,196	1,196	1,220	652	652
Somerset.....	1,778	1,778	2,056	964	1,220
Waymart.....	1,207	1,207	1,271	1,179	1,179
Waynesburg.....	458	458	485	483	483
Community Centers.....	604	604	717	504	504
Other jurisdictions.....	77	77	103	....	....
<b>Total.....</b>	<b>36,384</b>	<b>36,384</b>	<b>38,814</b>	<b>25,228</b>	<b>26,779</b>





## Program: Institutionalization of Offenders (continued)

### Expenditures by Institution: (Dollar Amounts in Thousands)

	1998-99	1999-00	2000-01		1998-99	1999-00	2000-01
	Actual	Available	Budget		Actual	Available	Budget
<b>Albion</b>				<b>Graterford</b>			
State Funds.....	\$ 49,022	\$ 52,630	\$ 53,550	State Funds.....	\$ 87,297	\$ 92,790	\$ 94,583
Federal Funds.....	129	339	362	Federal Funds.....	11,124	12,691	4,361
Augmentations.....	11	14	14	Augmentations.....	28	31	31
<b>TOTAL.....</b>	<b>\$ 49,162</b>	<b>\$ 52,983</b>	<b>\$ 53,926</b>	<b>TOTAL.....</b>	<b>\$ 98,449</b>	<b>\$ 105,512</b>	<b>\$ 98,975</b>
<b>Cambridge Springs</b>				<b>Greene</b>			
State Funds.....	\$ 17,127	\$ 20,052	\$ 19,925	State Funds.....	\$ 54,887	\$ 59,450	\$ 60,600
Federal Funds.....	243	394	287	Federal Funds.....	150	477	456
Augmentations.....	8	10	10	Augmentations.....	10	12	12
<b>TOTAL.....</b>	<b>\$ 17,378</b>	<b>\$ 20,456</b>	<b>\$ 20,222</b>	<b>TOTAL.....</b>	<b>\$ 55,047</b>	<b>\$ 59,939</b>	<b>\$ 61,068</b>
<b>Camp Hill</b>				<b>Greensburg</b>			
State Funds.....	\$ 71,091	\$ 76,590	\$ 77,620	State Funds.....	\$ 26,066	\$ 28,150	\$ 28,725
Federal Funds.....	385	669	535	Federal Funds.....	158	8,942	269
Augmentations.....	44	122	122	Augmentations.....	7	9	9
<b>TOTAL.....</b>	<b>\$ 71,520</b>	<b>\$ 77,381</b>	<b>\$ 78,277</b>	<b>TOTAL.....</b>	<b>\$ 26,231</b>	<b>\$ 37,101</b>	<b>\$ 29,003</b>
<b>Chester</b>				<b>Houtzdale</b>			
State Funds.....	\$ 21,597	\$ 24,430	\$ 24,500	State Funds.....	\$ 35,917	\$ 38,480	\$ 39,231
Federal Funds.....	66	365	191	Federal Funds.....	230	675	458
Augmentations.....	4	5	5	Augmentations.....	13	15	15
<b>TOTAL.....</b>	<b>\$ 21,667</b>	<b>\$ 24,800</b>	<b>\$ 24,696</b>	<b>TOTAL.....</b>	<b>\$ 36,160</b>	<b>\$ 39,170</b>	<b>\$ 39,704</b>
<b>Coal Township</b>				<b>Huntingdon</b>			
State Funds.....	\$ 46,936	\$ 50,280	\$ 51,450	State Funds.....	\$ 44,557	\$ 49,600	\$ 49,605
Federal Funds.....	101	515	512	Federal Funds.....	12,854	1,303	886
Augmentations.....	19	22	22	Augmentations.....	11	13	13
<b>TOTAL.....</b>	<b>\$ 47,056</b>	<b>\$ 50,817</b>	<b>\$ 51,984</b>	<b>TOTAL.....</b>	<b>\$ 57,422</b>	<b>\$ 50,916</b>	<b>\$ 50,504</b>
<b>Cresson</b>				<b>Laurel Highlands</b>			
State Funds.....	\$ 31,521	\$ 35,100	\$ 35,200	State Funds.....	\$ 23,518	\$ 26,130	\$ 26,720
Federal Funds.....	133	6,187	214	Federal Funds.....	103	405	177
Augmentations.....	12	13	13	Augmentations.....	3	3	3
<b>TOTAL.....</b>	<b>\$ 31,666</b>	<b>\$ 41,300</b>	<b>\$ 35,427</b>	<b>TOTAL.....</b>	<b>\$ 23,624</b>	<b>\$ 26,538</b>	<b>\$ 26,900</b>
<b>Dallas</b>				<b>Mahanoy</b>			
State Funds.....	\$ 44,405	\$ 50,950	\$ 51,340	State Funds.....	\$ 45,990	\$ 49,910	\$ 50,410
Federal Funds.....	265	434	1,760	Federal Funds.....	118	392	298
Augmentations.....	13	16	0	Augmentations.....	11	13	13
<b>TOTAL.....</b>	<b>\$ 44,683</b>	<b>\$ 51,400</b>	<b>\$ 53,100</b>	<b>TOTAL.....</b>	<b>\$ 46,119</b>	<b>\$ 50,315</b>	<b>\$ 50,721</b>
<b>Frackville</b>				<b>Mercer</b>			
State Funds.....	\$ 26,793	\$ 28,850	\$ 29,350	State Funds.....	\$ 25,804	\$ 28,510	\$ 28,530
Federal Funds.....	75	445	232	Federal Funds.....	112	10,282	6,205
Augmentations.....	5	6	6	Augmentations.....	9	11	10
<b>TOTAL.....</b>	<b>\$ 26,873</b>	<b>\$ 29,301</b>	<b>\$ 29,588</b>	<b>TOTAL.....</b>	<b>\$ 25,925</b>	<b>\$ 38,803</b>	<b>\$ 34,745</b>



## Program: Institutionalization of Offenders (continued)

### Expenditures by Institution: (Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget		1998-99 Actual	1999-00 Available	2000-01 Budget
<b>Muncy</b>				<b>Somerset</b>			
State Funds.....	\$ 31,917	\$ 35,330	\$ 34,786	State Funds.....	\$ 49,329	\$ 52,825	\$ 53,490
Federal Funds.....	200	465	5,267	Federal Funds.....	126	450	200
Augmentations.....	16	19	19	Augmentations.....	8	9	9
<b>TOTAL.....</b>	<b>\$ 32,133</b>	<b>\$ 35,814</b>	<b>\$ 40,072</b>	<b>TOTAL.....</b>	<b>\$ 49,463</b>	<b>\$ 53,284</b>	<b>\$ 53,699</b>
<b>Pine Grove</b>				<b>Waymart</b>			
State Funds.....	\$ 0	\$ 4,390	\$ 18,834	State Funds.....	\$ 47,109	\$ 51,520	\$ 51,830
Federal Funds.....	0	0	152	Federal Funds.....	322	488	486
Augmentations.....	0	2	3	Augmentations.....	7	8	8
<b>TOTAL.....</b>	<b>\$ 0</b>	<b>\$ 4,392</b>	<b>\$ 18,989</b>	<b>TOTAL.....</b>	<b>\$ 47,438</b>	<b>\$ 52,016</b>	<b>\$ 52,324</b>
<b>Pittsburgh</b>				<b>Waynesburg</b>			
State Funds.....	\$ 58,267	\$ 60,680	\$ 63,010	State Funds.....	\$ 13,216	\$ 14,830	\$ 14,730
Federal Funds.....	139	540	464	Federal Funds.....	45	391	106
Augmentations.....	15	17	17	Augmentations.....	5	6	6
<b>TOTAL.....</b>	<b>\$ 58,421</b>	<b>\$ 61,237</b>	<b>\$ 63,491</b>	<b>TOTAL.....</b>	<b>\$ 13,266</b>	<b>\$ 15,227</b>	<b>\$ 14,842</b>
<b>Quehanna Boot Camp</b>				<b>Community Centers</b>			
State Funds.....	\$ 6,620	\$ 7,450	\$ 7,860	State Funds.....	\$ 44,280	\$ 51,900	\$ 57,170
Federal Funds.....	49	160	67	Federal Funds.....	102	305	530
Augmentations.....	2	3	3	Augmentations.....	590	580	580
<b>TOTAL.....</b>	<b>\$ 6,671</b>	<b>\$ 7,613</b>	<b>\$ 7,930</b>	<b>TOTAL.....</b>	<b>\$ 44,972</b>	<b>\$ 52,785</b>	<b>\$ 58,280</b>
<b>Retreat</b>				<b>Training Academy</b>			
State Funds.....	\$ 24,810	\$ 27,030	\$ 28,050	State Funds.....	\$ 4,747	\$ 4,910	\$ 5,203
Federal Funds.....	65	388	196	Federal Funds.....	40	0	0
Augmentations.....	5	6	6	Augmentations.....	127	175	175
<b>TOTAL.....</b>	<b>\$ 24,880</b>	<b>\$ 27,424</b>	<b>\$ 28,252</b>	<b>TOTAL.....</b>	<b>\$ 4,914</b>	<b>\$ 5,085</b>	<b>\$ 5,378</b>
<b>Rockview</b>				<b>Central Office</b>			
State Funds.....	\$ 47,404	\$ 51,430	\$ 52,510	State Funds.....	\$ 31,383	\$ 27,539	\$ 33,741
Federal Funds.....	254	11,358	504	Federal Funds.....	3,066	3,972	2,590
Augmentations.....	36	518	518	Augmentations.....	238	498	343
<b>TOTAL.....</b>	<b>\$ 47,694</b>	<b>\$ 63,306</b>	<b>\$ 53,532</b>	<b>TOTAL.....</b>	<b>\$ 34,687</b>	<b>\$ 32,009</b>	<b>\$ 36,674</b>
<b>Smithfield</b>				<b>Other jurisdictions</b>			
State Funds.....	\$ 28,535	\$ 31,384	\$ 31,400	State Funds.....	\$ 928	\$ 1,650	\$ 1,931
Federal Funds.....	105	557	205	Federal Funds.....	0	0	0
Augmentations.....	10	12	12	Augmentations.....	0	0	0
<b>TOTAL.....</b>	<b>\$ 28,650</b>	<b>\$ 31,953</b>	<b>\$ 31,617</b>	<b>TOTAL.....</b>	<b>\$ 928</b>	<b>\$ 1,650</b>	<b>\$ 1,931</b>



## Program: Institutionalization of Offenders (continued)

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	<b>General Government Operations</b>			<b>State Correctional Institutions</b>
\$	382	— PRR — Protecting Public Safety Through Enforcement, Prevention and Rehabilitation. This Program Revision provides information technology at SCI Pine Grove. See the Program Revision following this program for additional information.	\$	7,598
				— PRR — Protecting Public Safety Through Enforcement, Prevention and Rehabilitation. This Program Revision provides resources to operate SCI Pine Grove and to increase prison capacity at other institutions. See the Program Revision following this program for additional information.
	8,000	— for information technology needs including additional network resources, video conferencing and expansion of computerization in the community corrections centers.		2,001
				— PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides resources for base stations and mobile and portable radio equipment for agency participation in the Statewide Public Safety Radio System. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.
	1,515	— to continue current program.		
	-2,690	— nonrecurring equipment purchases.		
<hr/>				
\$	7,207	<i>Appropriation Increase</i>		
		<b>Medical Care</b>		8,541
\$	885	— PRR — Protecting Public Safety Through Enforcement, Prevention and Rehabilitation. This Program Revision provides contracted health care services and medical resources to operate SCI Pine Grove. See the Program Revision following this program for additional information.		5,340
				— for the expansion of community housing arrangements.
				2,492
				— for equipment including video security systems, security fencing and general replacement items.
	5,325	— to continue current program.		7,668
				— to provide for the full year cost of housing units opened in 1999-00.
<hr/>				13,435
\$	6,210	<i>Appropriation Increase</i>		-20,798
				— to continue current program.
				— nonrecurring security enhancements
				<hr/>
			\$	26,277
				<i>Appropriation Increase</i>
		<b>Inmate Education and Training</b>		
\$	2,121	— PRR — Protecting Public Safety Through Enforcement, Prevention and Rehabilitation. This Program Revision provides resources for traditional and vocational education programming at SCI Pine Grove and other State correctional institutions. See the Program Revision following this program for additional information.		
	1,478	— to continue current program.		
	-2,179	— nonrecurring operational costs and educational equipment.		
<hr/>				
\$	1,420	<i>Appropriation Increase</i>		



Includes PRIME recommendation to use telemedicine to reduce the need for offsite medical consultations in the Department of Corrections. This innovative use of technology has greatly improved security by reducing transportation of inmates and associated overtime. It also reduces the number of psychiatrist hours that are charged to the State. In 1999-00 the department is expecting to save \$150,000 in costs and anticipates saving an additional \$250,000 in 2000-01.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	27,736	30,849	38,056	36,427	37,156	37,899	38,656
Medical Care .....	127,095	132,664	138,874	145,349	151,936	158,820	166,018
Inmate Education and Training .....	26,522	31,226	32,646	31,886	32,525	33,175	33,839
State Correctional Institutions .....	860,259	940,031	966,308	1,001,118	1,048,877	1,078,854	1,100,941
<hr/>							
<b>GENERAL FUND TOTAL .....</b>	<b>\$ 1,041,612</b>	<b>\$ 1,134,770</b>	<b>\$ 1,175,884</b>	<b>\$ 1,214,780</b>	<b>\$ 1,270,494</b>	<b>\$ 1,308,748</b>	<b>\$ 1,339,454</b>



## **Program Revision: Protecting Public Safety Through Enforcement, Prevention and Rehabilitation**

One of the most important responsibilities of government is to ensure a safe community in which individuals, families and businesses can live, work and operate free of the burdens and impact of crime. Undoubtedly, public safety issues touch every citizen of the Commonwealth and play a significant role in the quality of life for Pennsylvania's communities. For this reason the Commonwealth has embarked on an unprecedented effort to stop the spread of crime and its root causes. The results of this effort have become apparent. Additional laws and constitutional amendments as well as revised sentencing guidelines have been adopted in order to strengthen and enhance Pennsylvania's criminal and juvenile justice systems, resulting in tougher sanctions against criminal offenders and a greater deterrence to crime. These enforcement efforts have protected and continue to protect public safety as evidenced by the steady annual decline in crime rates and, in particular, serious crime rates which dropped an additional seven percent in 1998 alone to their lowest level in twenty-five years.

This Program Revision builds upon current public safety efforts by providing \$39.1 million for expanded delinquency and violence prevention programs, additional drug and alcohol services, increased rehabilitation efforts through basic and vocational education programming, increased prison capacity, grants to volunteer fire companies and protective gear and equipment for State Police troopers.

### **Crime Prevention and Intervention**

Efforts to protect public safety and prevent crime are often most effective when provided at the local level and involving communities and individuals. The Governor's Community Partnership for Safe Children supports local public safety and crime prevention efforts through the Communities That Care program. Communities That Care is a two-step, risk-focused delinquency prevention and community mobilization effort designed to first identify risk factors that may lead to adolescent behavioral problems and then promote research-based prevention interventions that address those risk factors. To enable an additional 18 communities to participate in the risk assessment and planning process, this Program Revision recommends approximately \$1.5 million for the Governor's Community Partnership for Safe Children to provide Communities That Care training and technical assistance and planning and assessment grants. For an additional 25 communities that have completed the risk assessment and planning process, this Program Revision provides an increase of \$4 million to implement Communities That Care and other research-based delinquency and violence prevention programs that promote collaboration among community organizations and local strategies based on the risks and resources existing

within the community. This Program Revision also provides nearly \$600,000 for an annual Communities That Care recognition conference and the administrative functions of the Governor's Community Partnership for Safe Children.

Effective juvenile delinquency intervention and prevention strategies include specialized probation services which are critical in the effort to help juvenile offenders become responsible and productive members of society and to ensure safety in Commonwealth communities. Specialized probation services provide school-based and community-based probation, intensive supervision and aftercare services for juvenile offenders, pursuant to the Juvenile Court Judges Commission standards. This Program Revision provides \$2 million to expand these services which have proven to be successful in protecting communities, increasing offender accountability and rehabilitating youths.

In addition, this Program Revision recommends \$1.1 million to expand Pennsylvania's commitment to the Weed and Seed program, a partnership with local citizens in targeted communities aimed at eliminating drug-related crime and improving community social and economic vitality. Funding will also support legal efforts designed to improve the quality of life in targeted communities by investigating and litigating against nuisance liquor or drug properties using existing State and local laws. Leadership training will also be provided for approximately 100 residents of targeted communities.

### **Drug and Alcohol Treatment Services**

As communities develop and implement crime prevention efforts and identify potential risk factors, the Commonwealth must continue to address the devastating effects of drug and alcohol abuse and addiction. Drug and alcohol abuse continues to be one of the leading causes of criminal activity leading to incarceration and recidivism, and its influence continues to impact offenders during and after incarceration.

This Program Revision expands the Commonwealth's commitment to provide assistance to counties as they implement intermediate punishment drug and alcohol treatment services for non-violent offenders. This Program Revision recommends \$2 million to expand technical assistance support and drug and alcohol assessment, evaluation and treatment services related to county intermediate punishment programs. This funding will provide an additional seven counties with drug and alcohol punishment programs.

### **Basic and Vocational Education Programs**

In addition to substance abuse, the lack of marketable job skills also contributes to factors leading to criminal activity. The Commonwealth provides significant basic and



## Program Revision: Protecting Public Safety Through Enforcement, Prevention and Rehabilitation (continued)

vocational education programs for offenders who attempt to rehabilitate themselves through education and work during their incarceration.

Basic education programs are provided to all young adult offenders as well as other offenders that are interested in achieving a General Equivalency Degree (GED). Statistics have shown that over 65 percent of offenders entering State Correctional Institutions (SCI's) function at or below an eighth grade competency level in reading and mathematics and 70 percent of offenders function at or below an unskilled level and have no prior work history. Vocational education programs are also offered in order to develop important job skills, improve work habits and reduce potential security problems. This Program Revision recommends \$2.1 million to expand basic and vocational education programs at various State Correctional Institutions, including SCI Pine Grove, a new facility that will house young adult offenders. Expanded programs will enable offenders to develop basic, functional-level academic skills, acquire jobs skills, form a positive work habit and assist in training them to become entry-level workers and wage earners upon release or parole.

### Increased Prison Capacity

While Commonwealth and national statistics indicate that crime rates are declining, the inmate population in State Correctional Institutions has held steady in recent months and is projected to rise. This Program Revision provides nearly \$9 million for continued capacity expansion at various institutions. In particular, \$8.1 million is recommended to open SCI Pine Grove in Indiana County. SCI Pine Grove, scheduled to open in July 2000, will

provide 651 additional beds for incarcerated young adult offenders. Additional capacity expansions will occur at SCI Muncy and SCI Laurel Highlands by 72 and 176 additional beds, respectively.

### Grants to Volunteer Fire Companies

Volunteer fire companies are vital in ensuring the safety of citizens across the Commonwealth. Many volunteer fire companies perform their duties within funding constraints and typically must generate a significant portion of their operating revenue through fund drives, donations and other fundraising events. This Program Revision recommends \$15 million in one-time grants to volunteer fire companies. These grants will provide funding that can be used for equipment purchases, volunteer fire training, research studies and loan repayments, thereby strengthening volunteer fire operations throughout the Commonwealth.

### Increased State Police Trooper Safety

State Police troopers perform critical law enforcement and public protection functions that ensure the safety of Pennsylvania's citizens. This Program Revision provides \$1.8 million for protective gear and equipment that will increase the level of safety for on-duty State Police troopers. This gear and equipment includes bulletproof vests, helmets, rifles and protective suits for use when responding to hazardous materials situations or incidents.

This Program Revision continues the Commonwealth's commitment to ensure public safety and to build upon past successes in reducing the incidence and impact of crime on Pennsylvania's citizens and communities.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Communities participating in the Communities That Care process</b>							
Current .....	68	86	86	86	86	86	86
Program Revision .....	0	0	104	104	104	104	104
<b>Communities implementing research-based violence prevention programs</b>							
Current .....	17	25	25	25	25	25	25
Program Revision .....	0	0	50	50	50	50	50
<b>Juvenile probation officers providing specialized probation services</b>							
Current .....	330	450	450	450	450	450	450
Program Revision .....	0	0	500	500	500	500	500
<b>Juvenile offenders receiving specialized probation services</b>							
Current .....	8,000	11,000	11,000	11,000	11,000	11,000	11,000
Program Revision .....	0	0	12,250	12,250	12,250	12,250	12,250
<b>Counties receiving technical support for alternative juvenile incarceration</b>							
Current .....	15	15	15	15	15	15	15
Program Revision .....	0	0	22	22	22	22	22



## Program Revision: Protecting Public Safety Through Enforcement, Prevention and Rehabilitation (continued)

Program Measures (continued)	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Additional young adult offenders enrolled in educational programs							
Program Revision .....	0	0	300	350	400	450	500
Inmates enrolled in vocational programs							
Current .....	2,531	2,531	2,681	2,781	2,781	2,781	2,781
Program Revision .....	0	0	2,826	2,871	2,871	2,871	2,871
Increased capacity for young adult offenders							
Program Revision .....	0	0	651	651	651	651	651
Increased capacity at State Correctional Institutions							
Program Revision .....	0	0	899	899	899	899	899

### Program Revision Recommendations:

 This budget recommends the following changes: (Dollar Amounts in Thousands)

	<b>GENERAL FUND</b>		
	<b>EXECUTIVE OFFICES</b>		
	<b>Partnership for Safe Children</b>	\$	15,000
\$ 1,540	— to support the activities of the Governor's Community Partnership for Safe Children, including implementing the Communities That Care assessment and planning process in 18 additional communities.		
	<b>590</b>	\$	382
	— to support the activities of the Governor's Community Partnership for Safe Children, including the annual Communities That Care recognition conference.		
\$ 2,130	<i>Appropriation Total</i>		
	<b>Weed and Seed Program</b>	\$	2,121
\$ 1,156	— to assist targeted communities in eliminating drug-related crime and improving the community's social and economic vitality.		
	<b>Intermediate Punishment Drug and Alcohol Treatment</b>	\$	7,598
\$ 2,000	— to expand treatment-based drug and alcohol intermediate punishment programs to seven additional counties.		
	<b>Communities That Care</b>	\$	600
\$ 4,000	— to implement Communities That Care and other research-based delinquency and violence prevention programs in 25 additional communities.		
	<b>Specialized Probation Services</b>	\$	1,276
\$ 2,000	— to expand the availability of specialized probation services, including school-based probation, community-based probation, intensive probation and aftercare.		
		\$	39,148
			<i>Program Revision Total</i>
	<b>EMERGENCY MANAGEMENT AGENCY</b>		
	<b>Fire Company Grants</b>		
	— to provide one-time grants to volunteer fire companies.		
	<b>CORRECTIONS</b>		
	<b>General Government Operations</b>		
	— to provide information technology for SCI Pine Grove.		
	<b>Medical Care</b>		
	— to provide medical services at SCI Pine Grove.		
	<b>Inmate Education and Training</b>		
	— to provide basic and vocational education at SCI Pine Grove and various other SCI's.		
	<b>State Correction Institutions</b>		
	— to provide administrative and operational support at SCI Pine Grove and increased prison capacity at SCI Muncy and SCI Laurel Highlands.		
	<b>STATE POLICE</b>		
	<b>General Government Operations</b>		
	— to provide protective gear and equipment for State Police troopers.		
	<b>MOTOR LICENSE FUND</b>		
	<b>STATE POLICE</b>		
	<b>General Government Operations</b>		
	— to provide protective gear and equipment for State Police troopers.		



## Program Revision: Protecting Public Safety Through Enforcement, Prevention and Rehabilitation (continued)

### Recommended Program Revision Costs by Appropriation:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
<b>Executive Offices</b>							
Partnership for Safe Children .....	\$ 0	\$ 0	\$ 2,130	\$ 2,193	\$ 2,237	\$ 2,282	\$ 2,328
Weed and Seed Program .....	0	0	1,156	1,213	1,217	1,222	1,226
Intermediate Punishment Drug and Alcohol Treatment .....	0	0	2,000	2,000	2,000	2,000	2,000
Communities That Care .....	0	0	4,000	4,000	4,000	4,000	4,000
Specialized Probation Services .....	0	0	2,000	2,000	2,000	2,000	2,000
<b>Corrections</b>							
General Government Operations .....	0	0	382	0	0	0	0
Medical Care .....	0	0	885	1,082	1,104	1,126	1,148
Inmate Education and Training .....	0	0	2,121	750	766	781	797
State Correctional Institutions .....	0	0	7,598	9,756	9,951	10,150	10,353
<b>Emergency Management Agency</b>							
Fire Company Grants .....	0	0	15,000	0	0	0	0
<b>State Police</b>							
General Government Operations .....	0	0	600	0	0	0	0
<b>GENERAL FUND TOTAL</b> .....	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 37,872</b>	<b>\$ 22,994</b>	<b>\$ 23,275</b>	<b>\$ 23,561</b>	<b>\$ 23,852</b>
<b>MOTOR LICENSE FUND:</b>							
<b>State Police</b>							
General Government Operations .....	\$ 0	\$ 0	\$ 1,276	\$ 0	\$ 0	\$ 0	\$ 0



---

# DEPARTMENT OF EDUCATION

*The mission of the Department of Education is to promote and encourage desirable educational change based upon research and development so that all Pennsylvanians may benefit from a quality educational program that gives the greatest promise of developing each individual to his or her 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 Revisions:**

Title	Appropriation	2000-01 State Funds (in thousands)
<b>Improving Our Schools</b>		
	General Government Operations.....	\$ 81
	Information and Technology Improvement.....	2,500
	PA Assessment .....	4,465
	State Library.....	32
	Basic Education Funding.....	110,319
	Performance Incentives.....	33,538
	School Improvement Grants.....	20,000
	Technology Initiative.....	21,450
	Teacher Professional Development.....	4,130
	Read to Succeed.....	25,000
	Adult and Family Literacy.....	5,000
	Special Education.....	46,889
	Technology for Nonpublic Schools.....	6,000
	Safe and Alternative Schools.....	3,200
	Higher Education Technology Grants.....	10,000
	<b>Program Revision Subtotal.....</b>	<b>\$ 292,604</b>

This Program Revision increases support for basic education, expands the performance incentive program, refines and expands the current academic assessment system, provides resources for a Statewide school reporting process, proposes an independent evaluation to present impartial findings on school district performance, and provides resource to school districts to implement school improvement plans. This Program Revision also provides resources to implement integrated learning systems technologies in schools, proposes development of model digital school districts, and continues to provide technology grants to higher education institutions and technology resources to enable nonpublic schools to participate in the educational benefits afforded by information technology. In addition, this Program Revision expands teacher professional development opportunities, and child-focused and family literacy programs and provides second year funding for Read to Succeed, an intensive reading program for students in the K-3 grades who need assistance to meet reading proficiency standards. Finally, this Program Revision increases special education funding, and expands programs to assist school districts in preventing and reducing school violence and in educating disruptive students.



**PROGRAM REVISION**

**Budgeted Amounts Include the Following Program Revisions:**

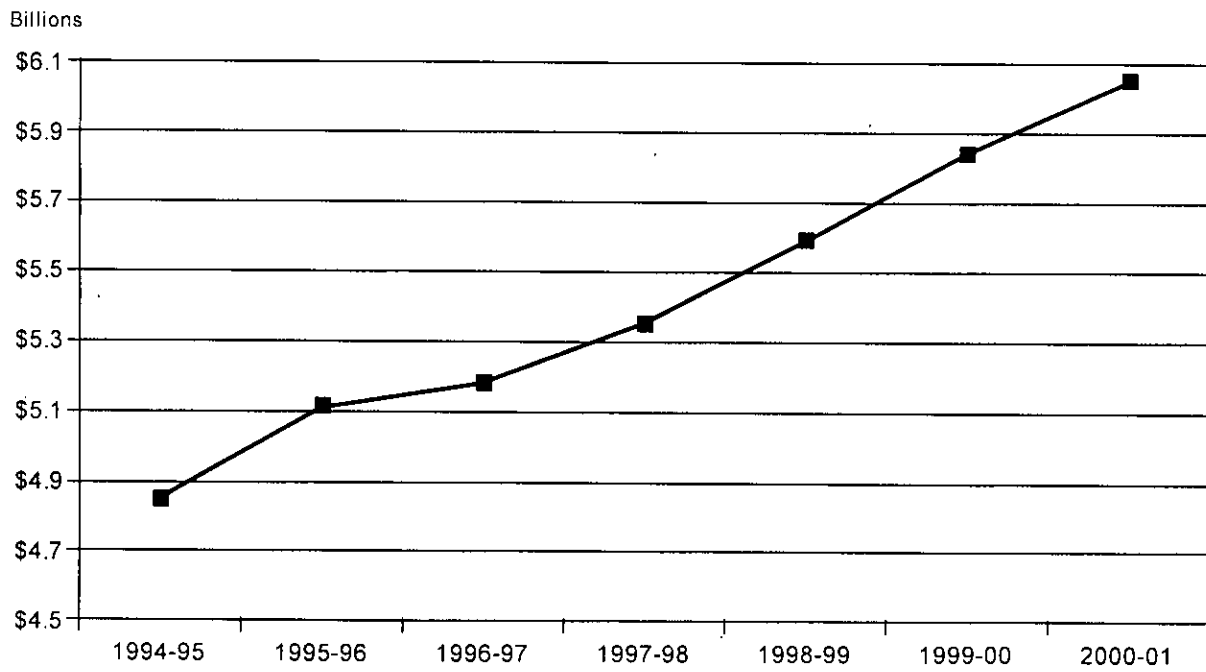
Title	Appropriation	2000-01 State Funds (In thousands)
<b>Investing in Pennsylvania's Public Libraries</b>		
	Improvement of Library Services.....	\$ 15,000
	Library Access.....	500
	School Library Catalog.....	<u>3,600</u>
	Program Revision Subtotal.....	<u>\$ 19,100</u>

This Program Revision restructures public library funding to enhance local libraries operating budgets and to create a stronger incentive for local governments to invest in their public libraries. In addition, this Program Revision provides resources to enhance and expand the Access Pennsylvania database and the Pennsylvania Online World of Electronic Resources (POWER) Library.

<b>Department Total.....</b>	<b><u>\$ 311,704</u></b>
------------------------------	--------------------------



### State Support for Local School Districts



*Commonwealth appropriations in direct support of local school districts have increased since 1994-95 by \$1.2 billion.*



## Commonwealth Appropriations in Direct Support of Local School Districts\*

(Dollar amounts in thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget
Basic Education Funding.....	\$ 3,570,188	\$ 3,677,294	\$ 3,787,613
Special Education.....	677,611	719,500	766,389
Pupil Transportation.....	367,444	386,707	410,292
School Employees' Social Security.....	343,800	350,328	371,610
Authority Rentals and Sinking Fund Requirements.....	233,766	253,766	253,766
Early Intervention.....	81,455	84,719	88,701
Special Education - Approved Private Schools.....	58,066	59,808	61,602
Nonpublic and Charter School Pupil Transportation.....	54,926	56,009	55,392
Vocational Education.....	49,879	51,523	53,069
Tuition for Orphans and Children Placed in Private Homes.....	38,375	40,079	42,960
Safe and Alternative Schools.....	6,108	32,000	35,200
Performance Incentives.....	13,415	16,769	33,538
Read to Succeed.....	0	35,000	25,000
PA Charter Schools for the Deaf and Blind.....	22,861	23,847	24,999
Technology Initiative.....	36,333	20,150	21,450
School Food Services.....	16,679	16,723	20,486
School Improvement Grants.....	0	0	20,000
Intermediate Units.....	5,693	5,835	6,127
Teen Pregnancy and Parenthood.....	1,452	1,500	1,500
Administrative/Instructional Consolidation.....	1,000	1,500	1,500
Education Mentoring.....	1,196	1,200	1,200
Education of Migrant Laborers' Children.....	248	727	727
Homebound Instruction.....	686	643	662
School-to-Work Opportunities.....	500	500	500
Comprehensive Reading.....	300	300	300
Payments in Lieu of Taxes.....	182	182	182
Education of Indigent Children.....	110	113	116
School District Demonstration Projects.....	5,400	4,750	0
<b>TOTAL.....</b>	<b>\$ 5,587,673</b>	<b>\$ 5,841,472</b>	<b>\$ 6,084,881</b>

\* Includes appropriations which are distributed to school districts, intermediate units, area vocational-technical schools and special schools. These appropriations are included in the more expansive Basic Education Subcategory which is contained within this department presentation.

In addition to the above funding, decreases in the employer contribution rate for school employees' retirement will save local education agencies approximately \$115 million in 2000-01. Over the five-year period 1996-97 through 2000-01 the cumulative savings to local education agencies will be approximately \$940 million.

file: j:\Budbook\Subcat2000\Education\Direct Support of Schools-2000-01\Budget.xls

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
<b>General Government Operations.....</b>	<b>\$ 20,017</b>	<b>\$ 22,174<sup>a</sup></b>	<b>\$ 23,756</b>
(F)Adult Basic Education - Administration.....	1,195	1,500	1,600
(F)Education of Exceptional Children.....	5,392	7,500	8,250
(F)Special Education Improvement.....	0	2,000	2,000
(F)ESEA-Title I - Administration.....	3,123	5,000	5,000
(F)State Approving Agency (VA).....	761	864	867
(F)Food and Nutrition Service.....	3,578	3,865	4,136
(F)Migrant Education - Administration.....	390	819	819
(F)Emergency Immigrant Education.....	5	18	15
(F)Vocational Education - Administration.....	2,909	3,910	3,910
(F)Professional Development-Title II - Administration/State.....	737	2,977	2,084
(F)Byrd Scholarships.....	1,656	1,656	1,656
(F)JTPA - Linkage.....	430	691	0
(F)ESEA-Title VI - Administration/State.....	1,904	4,122	3,259
(F)Homeless Assistance.....	1,401	1,411	1,305
(F)Preschool Grant.....	568	890	935
(F)DFSC - Administration.....	1,316	1,591	2,680
(F)State Literacy Resource Centers.....	107	125	120
(F)School Health Education Programs.....	175	455	456
(F)School-to-Work Opportunities.....	8,157	8,650	3,250
(F)Learn and Serve America - School Based.....	1,087	1,010	1,010
(F)Educate America Act - Administration/State.....	1,507	3,946	3,828
(F)Environmental Education Workshops.....	0	10	70
(F)Bilingual Education.....	99	136	120
(F)Charter Schools Initiatives.....	3,283	8,400	5,000
(F)Technology Literacy Challenge - Administration.....	1,230	2,073	1,574
(F)America Reads Challenge-Administration.....	0	1,000	1,000
(F)Comprehensive School Reform-Administration.....	90	570	437
(F)Advanced Placement Testing.....	250	300	300
(F)Even Start Family Literacy - Administration.....	0	50	50
(F)Student Learning Research.....	0	438	438
(F)Higher Education Readiness - Administration.....	0	0 <sup>b</sup>	0
(F)Teacher Quality Enhancement.....	0	102	0
(F)ESEA-Title X-Education Partnerships.....	0	209 <sup>c</sup>	209
(F)Refugee Children Education.....	0	1,000 <sup>d</sup>	1,000
(F)Medical Assistance - Nurses' Aide Training.....	0	0	251
(F)Medical Assistance - Nurses' Aide Program.....	192	265	0
(F)State and Community Highway Safety.....	868	1,100	990
(F)Enhanced High School Driver Education.....	20	40	40
(A)EDP Services.....	64	64	37
(A)Environmental Education.....	335	775	410
(A)Approved Private Schools.....	146	151	153
(A)National Center for Educational Statistics.....	85	13	12
(A)Reimbursement from Department of Banking.....	15	15	15
(A)Early Intervention.....	624	624	675
(A)Teenage Parenting.....	2,936	3,086	3,300
(A)Nurses' Aid Training.....	220	241	0
(A)Breath Test Equipment Training.....	21	500	149
(A)EPSDT Administration.....	421	721	721
(A)Christa McAuliffe Fellowship Program.....	40	40	40
(A)Telephone Information Services.....	0	400	304
(A)Mailing Services.....	3	2	2
Subtotal.....	<b>\$ 67,357</b>	<b>\$ 97,499</b>	<b>\$ 88,233</b>
<b>Information and Technology Improvement.....</b>	<b>1,599</b>	<b>1,238</b>	<b>4,866</b>
Subtotal.....	<b>\$ 1,599</b>	<b>\$ 1,238</b>	<b>\$ 4,866</b>
<b>PA Assessment.....</b>	<b>7,648</b>	<b>10,228</b>	<b>15,000</b>



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
(F)PA Assessment Through Themes.....	0	46	0
(F)PA Assessment Through Themes.....	134	0	0
Subtotal.....	\$ 7,782	\$ 10,274	\$ 15,000
<b>State Library.....</b>	<b>3,910</b>	<b>4,068</b>	<b>4,212</b>
(F)LSTA - Library Development.....	1,486	1,420	1,420
(F)Nuclear Regulatory Commission Documents Support.....	10	15	0
(A)Penalties and Reimbursements.....	11	14	12
(A)Photocopy Service.....	22	23	22
(A)Keystone Fund.....	63	64	57
Subtotal.....	\$ 5,502	\$ 5,604	\$ 5,723
Subtotal - State Funds.....	\$ 33,174	\$ 37,708	\$ 47,834
Subtotal - Federal Funds.....	44,060	70,174	60,079
Subtotal - Augmentations.....	5,006	6,733	5,909
Total - General Government.....	\$ 82,240	\$ 114,615	\$ 113,822
<b>Institutional:</b>			
<b>Youth Development Centers - Education.....</b>	<b>\$ 11,565</b>	<b>\$ 11,988</b>	<b>\$ 10,688</b>
Subtotal.....	\$ 11,565	\$ 11,988	\$ 10,688
<b>Scranton State School for the Deaf.....</b>	<b>5,005</b>	<b>5,253</b>	<b>5,544</b>
(F)Individuals with Disabilities Education - Scranton.....	58	85	85
(F)School Milk Lunch.....	45	50	50
(F)ESEA - Scranton.....	0	252 <sup>e</sup>	252
(F)Life Long Learning.....	2	11	11
(F)Adult Basic Education.....	0	10	10
(A)Cafeteria and Other Fees.....	95	110	110
(A)Tuition Recovery.....	850	903	934
Subtotal.....	\$ 6,055	\$ 6,674	\$ 6,996
<b>Thaddeus Stevens College of Technology.....</b>	<b>6,356</b>	<b>7,560</b>	<b>7,061</b>
(F)Vocational Education.....	150	350	350
(A)Tuition and Fees.....	1,028	1,109	1,109
(A)Higher Education for the Disadvantaged.....	106	99	111
(A)Federal Pell Grant Aid.....	158	158	156
(A)PHEAA Grant Aid.....	310	310	300
Subtotal.....	\$ 8,108	\$ 9,586	\$ 9,087
Subtotal - State Funds.....	\$ 22,926	\$ 24,801	\$ 23,293
Subtotal - Federal Funds.....	255	758	758
Subtotal - Augmentations.....	2,547	2,689	2,720
Total - Institutional.....	\$ 25,728	\$ 28,248	\$ 26,771
<b>Grants and Subsidies:</b>			
<b>Support of Public Schools:</b>			
<b>Basic Education Funding.....</b>	<b>\$ 3,570,188</b>	<b>\$ 3,677,294</b>	<b>\$ 3,787,613</b>
Performance Incentives.....	13,415	16,769	33,538
School Improvement Grants.....	0	0	20,000
Educational Opportunity Program.....	0	63,600	0
Technology Initiative.....	36,333	20,150	21,450
Science Education Program.....	450	400	0
Teacher Professional Development.....	2,989	3,540 <sup>r</sup>	7,670
Read to Succeed.....	0	35,000	25,000
Adult and Family Literacy.....	12,055	12,662	17,979
(F)Adult Basic Education - Local.....	13,920	16,500	18,442
(F)Even Start Family Literacy - Local.....	0	600	600
<b>Vocational Education.....</b>	<b>49,879</b>	<b>51,523</b>	<b>53,069</b>
(F)Vocational Education Act - Local.....	44,527	50,000	50,000



**Summary by Fund and Appropriation**

(Dollar Amounts in Thousands)

	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
<b>New Choices / New Options</b> .....	0	3,700	0
<b>Authority Rentals and Sinking Fund Requirements</b> .....	233,766	253,766	253,766
<b>Pupil Transportation</b> .....	367,444	386,707 <sup>g</sup>	410,292
<b>Nonpublic and Charter School Pupil Transportation</b> .....	54,926	56,009 <sup>h</sup>	55,392
<b>Special Education</b> .....	677,611	719,500	766,389
(F)Individuals with Disabilities Education - Local.....	138,942	200,000	200,000
(F)Special Education Leadership Development.....	0	3,000	3,000
<b>Early Intervention</b> .....	81,455	84,719	88,701
(F)Education for Disabled Children.....	1,220	1,220	1,220
<b>Homebound Instruction</b> .....	686	643	662
<b>Tuition for Orphans and Children Placed in Private Homes</b> .....	38,375	40,079	42,960
<b>Payments in Lieu of Taxes</b> .....	182	182	182
<b>Education of Migrant Laborers' Children</b> .....	248	727	727
(A)Migrant Education.....	473	0	0
<b>PA Charter Schools for the Deaf and Blind</b> .....	22,861	23,847	24,999
<b>Special Education - Approved Private Schools</b> .....	58,066	59,808	61,602
<b>Intermediate Units</b> .....	5,693	5,835	6,127
<b>School Food Services</b> .....	16,679	16,723	20,486
(F)Food and Nutrition - Local.....	267,000	284,282	298,496
<b>School Employees' Social Security</b> .....	343,800	350,328	371,610
<b>School Employees' Retirement</b> .....	380,981 <sup>i</sup>	169,931	99,467
<b>School District Demonstration Projects</b> .....	5,400	4,750	0
<b>Education of Indigent Children</b> .....	110	113	116
Subtotal.....	<u>\$ 6,439,674</u>	<u>\$ 6,613,907</u>	<u>\$ 6,741,555</u>
(F)ESEA - Title VI - School Districts.....	10,892	15,423	14,304
(F)ESEA - Title I - Local.....	255,332	382,996 <sup>j</sup>	433,844
(F)DFSC - School Districts.....	17,159	16,972	16,972
(F)Educate America Act - Local.....	18,242	25,591	25,330
(F)Professional Development - Title II -Local.....	11,267	15,837	16,786
(F)Technology Literacy Challenge - Local.....	30,725	25,601	23,443
(F)America Reads Challenge-Local.....	0	23,902	28,500
(F)Comprehensive School Reform-Local.....	232	9,137	9,066
(F)ESEA - Title VI - Class Size Reduction.....	0	51,000	51,000
(F)Higher Education Readiness.....	0	0 <sup>k</sup>	0
Subtotal.....	<u>\$ 343,849</u>	<u>\$ 566,459</u>	<u>\$ 619,245</u>
<b>Other Grants and Subsidies:</b>			
<b>Education Mentoring</b> .....	1,196	1,200	1,200
<b>Services to Nonpublic Schools</b> .....	64,588	66,526	68,522
<b>Textbooks and Instructional Materials for Nonpublic Schools</b> .....	19,768	20,362	20,973
<b>Technology for Nonpublic Schools</b> .....	5,000	4,000	6,000
<b>Teen Pregnancy and Parenthood</b> .....	1,452	1,500	1,500
(F)Teenage Parenting Education.....	1,997	1,997	2,247
(F)Maternal and Child Health Services.....	618	1,343	1,606
<b>Comprehensive Reading</b> .....	300	300	300
<b>Improvement of Library Services</b> .....	30,289	47,289	62,289
<b>Library Services for the Visually Impaired and Disabled</b> .....	2,452	2,879	2,879
<b>Library Access</b> .....	6,350	6,508	7,171
<b>School Library Catalog</b> .....	420	431	4,042
<b>Technology for Public Libraries</b> .....	7,000	0	0
<b>Ethnic Heritage</b> .....	100	160	160
<b>Governor's Schools of Excellence</b> .....	1,478	1,916	2,264
<b>JTPA - Matching Funds</b> .....	4,586	3,996	0
(F)JTPA - Educational Training.....	3,307	3,310	0
<b>School-to-Work Opportunities</b> .....	500	500	500
<b>Job Training Programs</b> .....	5,400	3,750	3,750
<b>Charter Schools</b> .....	1,600	1,800	1,800
<b>Charter Schools - Nonpublic Transfers</b> .....	1,000	1,000	1,000
<b>Safe and Alternative Schools</b> .....	6,108 <sup>l</sup>	32,000 <sup>m</sup>	35,200



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
Administrative/Instructional Consolidation.....	1,000	1,500	1,500
Subtotal.....	\$ 166,509	\$ 204,267	\$ 224,903
<b>Higher Education - Other Grants and Subsidies:</b>			
Community Colleges.....	166,419	171,412	179,983
Regional Community Colleges Services.....	500	400	0
Community Colleges - Workforce Development.....	2,000	0	2,000
Higher Education for the Disadvantaged.....	7,827	8,828	9,049
Higher Education of Blind or Deaf Students.....	52	52	52
Higher Education Technology Grants.....	7,000	10,000	10,000
Higher Education Graduation Incentive.....	0	0	6,000
Higher Education Equipment.....	6,000	6,000	6,000
Academy for Teaching.....	0	1,300 <sup>n</sup>	0
Engineering Equipment Grants.....	1,000	1,000	1,000
Rural Initiatives.....	1,200	1,125	1,125
Osteopathic Education.....	750	1,000	1,000
Subtotal.....	\$ 192,748	\$ 201,117	\$ 216,209
<b>State System of Higher Education:</b>			
State Universities.....	424,887	437,634	450,763
Recruitment of the Disadvantaged.....	338	346	356
McKeever Center.....	211	216	222
Affirmative Action.....	1,134	1,162	1,197
Special Projects.....	0	4,500	0
Program Initiatives.....	0	0	4,500
Subtotal.....	\$ 426,570	\$ 443,858	\$ 457,038
<b>The Pennsylvania State University:</b>			
Educational and General.....	229,002	235,872	242,920
Medical Programs.....	4,661	4,778	4,897
Children's Hospital.....	4,906	5,029	5,155
Agricultural Research.....	21,565	22,212	22,767
Agricultural Extension Services.....	23,276	26,108	26,761
Recruitment of the Disadvantaged.....	338	346	355
Central Pennsylvania Psychiatric Institute.....	1,909	1,957	2,006
Pennsylvania College of Technology.....	11,895	12,252	12,558
Pennsylvania College of Technology - Debt Service.....	1,592	1,530	1,530
Workforce Development and Technology Transfer.....	0	2,250	0
Capitol Campus Improvements.....	0	1,800	0
Program Initiatives.....	0	0	3,000
Subtotal.....	\$ 299,144	\$ 314,134	\$ 321,949
<b>University of Pittsburgh:</b>			
Educational and General.....	140,798	145,022	149,760
Medical Programs.....	6,571	6,735	6,903
Dental Clinics.....	1,085	1,112	1,140
Recruitment of the Disadvantaged.....	338	346	355
Western Psychiatric Institute.....	8,102	8,305	8,513
Western Teen Suicide Center.....	523	536	549
Graduate School of Public Health.....	263	270	277
Rural Education Outreach.....	525	783	803
Laboratories and Equipment.....	0	4,500	0
Program Initiatives.....	0	0	3,500
Subtotal.....	\$ 158,205	\$ 167,609	\$ 171,800
<b>Temple University:</b>			
Educational and General.....	147,911	152,348	157,182
Medical Programs.....	8,746	8,965	9,189
Dental Clinics.....	1,085	1,112	1,140





**Summary by Fund and Appropriation**

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
Recruitment of the Disadvantaged.....	338	346	355
Maxillofacial Prosthodontics.....	132	135	138
Podiatric Medicine.....	1,275	1,382	1,417
Children's Hospital.....	0	500	0
Laboratories and Equipment.....	0	4,500	0
Program Initiatives.....	0	0	4,100
Subtotal.....	<u>\$ 159,487</u>	<u>\$ 169,288</u>	<u>\$ 173,521</u>
<b>Lincoln University:</b>			
Educational and General.....	10,139	10,443	10,704
Recruitment of the Disadvantaged.....	338	346	355
International Affairs Institute.....	305	313	321
Student Education Instruction Assistance.....	250	256	262
Program Initiatives.....	0	0	300
Subtotal.....	<u>\$ 11,032</u>	<u>\$ 11,358</u>	<u>\$ 11,942</u>
<b>Non-State Related Universities and Colleges:</b>			
Drexel University.....	6,623	6,789	6,959
University of Pennsylvania - Dental Clinics.....	938	938	938
University of Pennsylvania - Cardiovascular Studies.....	0	500	500
University of Pennsylvania - Medical Programs.....	4,034	4,034	4,034
University of Pennsylvania - Veterinary Activities.....	31,489	32,276	33,083
MCP Hahnemann University - Medical Programs.....	8,142	8,142	8,142
MCP Hahnemann University - Operations & Maintenance.....	1,798	1,798	1,798
MCP Hahnemann University - Recruitment of the Disadvantaged.....	321	321	321
MCP Hahnemann University - Cardiovascular Studies.....	500	0	0
MCP Hahnemann University - Transition.....	0	3,000	3,000
Thomas Jefferson University - Doctor of Medicine Instruction.....	5,869	5,869	5,869
Thomas Jefferson University - Operations & Maintenance.....	4,113	4,263	4,263
Philadelphia College of Osteopathic Medicine.....	5,222	5,222	5,222
Pennsylvania College of Optometry.....	1,548	1,548	1,548
Pennsylvania College of Optometry - Computer Laboratory.....	0	200	0
Pennsylvania College of Optometry - Distance Learning.....	0	538	0
Philadelphia University of the Arts.....	1,243	1,243	1,243
Subtotal.....	<u>\$ 71,840</u>	<u>\$ 76,681</u>	<u>\$ 76,920</u>
<b>Non-State Related Institutions:</b>			
Berean - Operations and Maintenance.....	1,254	1,554	1,554
Berean - Rental Payments.....	98	98	95
Johnson Technical Institute.....	202	202	202
Williamson Free School of Mechanical Trades.....	73	73	73
Subtotal.....	<u>\$ 1,627</u>	<u>\$ 1,927</u>	<u>\$ 1,924</u>
Subtotal - State Funds.....	<u>\$ 7,454,832</u>	<u>\$ 7,641,894</u>	<u>\$ 7,822,150</u>
Subtotal - Federal Funds.....	815,380	1,128,711	1,194,856
Subtotal - Augmentations.....	473	0	0
Total - Grants and Subsidies.....	<u>\$ 8,270,685</u>	<u>\$ 8,770,605</u>	<u>\$ 9,017,006</u>
STATE FUNDS.....	\$ 7,510,932	\$ 7,704,403	\$ 7,893,277
FEDERAL FUNDS.....	859,695	1,199,643	1,255,693
AUGMENTATIONS.....	8,026	9,422	8,629
<b>GENERAL FUND TOTAL.....</b>	<u><b>\$ 8,378,653</b></u>	<u><b>\$ 8,913,468</b></u>	<u><b>\$ 9,157,599</b></u>
<b>MOTOR LICENSE FUND:</b>			
<i>Grants and Subsidies:</i>			
Safe Driving Course.....	\$ 1,182	\$ 1,591	\$ 1,639



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
MOTOR LICENSE FUND TOTAL.....	\$ 1,182	\$ 1,591	\$ 1,639
<b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</b>			
<i>Grants and Subsidies:</i>			
Local Libraries Rehabilitation and Development (EA).....	\$ 1,754	\$ 4,200	\$ 2,035
State System of Higher Educ. - Deferred Maintenance (EA).....	8,110	8,642	9,286
Total - Grants and Subsidies.....	\$ 9,864	\$ 12,842	\$ 11,321
KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL.....	\$ 9,864	\$ 12,842	\$ 11,321
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
LSTA - Library Grants.....	\$ 4,476	\$ 7,000	\$ 7,000
Emergency Immigrant Assistance.....	617	1,200	1,200
Surety Bond Proceeds.....	10	14	14
Severely Disabled Program.....	130	150	150
Distressed School Districts Assistance (Section 2502.30).....	1,363	1,363	0
Private Licensed Schools.....	504	614	552
Medical Assistance Reimbursements.....	20,616	40,000	42,000
Education of the Disabled - Part D.....	53	235	0
PANET - Local Education Agencies.....	7	0	0
Approved Private Schools - Audit Resolution.....	1,487	1,500	1,500
Bell Atlantic Grant - Internet Access.....	125	125	0
Woodland Hills Desegregation.....	4,079	4,807	0
Telecommunications Education Fund Grant.....	3	244	103
GENERAL FUND TOTAL.....	\$ 33,470	\$ 57,252	\$ 52,519
<b>ORGAN DONATION AWARENESS TRUST FUND:</b>			
Organ Donation Awareness (EA).....	\$ 150	\$ 114	\$ 102
<b>SCHOOL EMPLOYEES' RETIREMENT FUND:</b>			
Administration.....	\$ 26,051	\$ 27,110	\$ 30,512
Directed Commissions.....	3,131	3,052	1,354
SCHOOL EMPLOYEES' RETIREMENT FUND TOTAL.....	\$ 29,182	\$ 30,162	\$ 31,866
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 7,510,932	\$ 7,704,403	\$ 7,893,277
SPECIAL FUNDS.....	11,046	14,433	12,960
FEDERAL FUNDS.....	859,695	1,199,643	1,255,693
AUGMENTATIONS.....	8,026	9,422	8,629
OTHER FUNDS.....	62,802	87,528	84,487
TOTAL ALL FUNDS.....	\$ 8,452,501	\$ 9,015,429	\$ 9,255,046

<sup>a</sup> Actually appropriated as \$21,550,000 for General Government Operations and \$624,000 for Charter School Appeal Board.

<sup>b</sup> Actually appropriated as \$205,000. Amount shown is the best estimate of the amount available for 1999-00. Since additional funds may be received, no reduction to appropriation authority is recommended.

<sup>c</sup> Includes recommended supplemental appropriation of \$209,000.

## Footnotes to Summary by Fund and Appropriation

- 
- <sup>d</sup> Includes recommended supplemental appropriation of \$1,000,000.
  - <sup>e</sup> Includes recommended supplemental appropriation of \$252,000.
  - <sup>f</sup> Actually appropriated as \$4,840,000. Amount shown is net of transfer to Academy for Teaching.
  - <sup>g</sup> Includes recommended supplemental appropriation of \$5,578,000.
  - <sup>h</sup> Includes recommended supplemental appropriation of \$1,630,000.
  - <sup>i</sup> Actually appropriated as \$342,081,000 for School Employees' Retirement and \$38,900,000 for Annuitant Cost of Living Increase.
  - <sup>j</sup> Includes recommended supplemental appropriation of \$33,996,000.
  - <sup>k</sup> Actually appropriated as \$2,500,000. Amount shown is the best estimate of the amount available for 1999-00. Since additional funds may be received, no reduction to appropriation authority is recommended.
  - <sup>l</sup> Actually appropriated as \$1,000,000 for Safe Schools and \$5,108,000 for Alternative Schools.
  - <sup>m</sup> Actually appropriated as \$22,000,000 for Safe Schools and \$10,000,000 for Alternative Schools.
  - <sup>n</sup> Actually appropriated as part of the \$4,840,000 Teacher Professional Development appropriation.



## Program Funding Summary

	(Dollar Amounts in Thousands)						
	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>EDUCATION SUPPORT SERVICES</b>							
GENERAL FUND.....	\$ 21,616	\$ 23,412	\$ 28,622	\$ 28,223	\$ 28,705	\$ 29,197	\$ 29,699
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	42,430	68,693	58,659	58,659	58,659	58,659	58,659
OTHER FUNDS.....	34,606	37,422	38,250	37,178	37,921	38,678	39,450
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 98,652</b>	<b>\$ 129,527</b>	<b>\$ 125,531</b>	<b>\$ 124,060</b>	<b>\$ 125,285</b>	<b>\$ 126,534</b>	<b>\$ 127,808</b>
<b>BASIC EDUCATION</b>							
GENERAL FUND.....	\$ 6,111,886	\$ 6,226,284	\$ 6,345,698	\$ 6,360,537	\$ 6,360,327	\$ 6,340,741	\$ 6,357,805
SPECIAL FUNDS.....	1,182	1,591	1,639	1,639	1,639	1,639	1,639
FEDERAL FUNDS.....	815,619	1,129,165	1,195,264	1,195,264	1,195,264	1,195,264	1,195,264
OTHER FUNDS.....	29,923	50,626	46,099	46,122	46,145	46,168	46,192
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 6,958,610</b>	<b>\$ 7,407,666</b>	<b>\$ 7,588,700</b>	<b>\$ 7,603,562</b>	<b>\$ 7,603,375</b>	<b>\$ 7,583,812</b>	<b>\$ 7,600,900</b>
<b>LIBRARY SERVICES</b>							
GENERAL FUND.....	\$ 50,421	\$ 61,175	\$ 80,593	\$ 78,609	\$ 77,695	\$ 78,284	\$ 77,874
SPECIAL FUNDS.....	1,754	4,200	2,035	2,073	2,262	2,451	2,665
FEDERAL FUNDS.....	1,496	1,435	1,420	1,420	1,420	1,420	1,420
OTHER FUNDS.....	4,697	7,226	7,091	7,092	7,093	7,094	7,095
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 58,368</b>	<b>\$ 74,036</b>	<b>\$ 91,139</b>	<b>\$ 89,194</b>	<b>\$ 88,470</b>	<b>\$ 89,249</b>	<b>\$ 89,054</b>
<b>HIGHER EDUCATION</b>							
GENERAL FUND.....	\$ 1,327,009	\$ 1,393,532	\$ 1,438,364	\$ 1,420,105	\$ 1,420,249	\$ 1,410,396	\$ 1,410,546
SPECIAL FUNDS.....	8,110	8,642	9,286	9,968	10,819	11,752	12,771
FEDERAL FUNDS.....	150	350	350	350	350	350	350
OTHER FUNDS.....	1,602	1,676	1,676	1,709	1,743	1,777	1,812
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 1,336,871</b>	<b>\$ 1,404,200</b>	<b>\$ 1,449,676</b>	<b>\$ 1,432,132</b>	<b>\$ 1,433,161</b>	<b>\$ 1,424,275</b>	<b>\$ 1,425,479</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 7,510,932	\$ 7,704,403	\$ 7,893,277	\$ 7,887,474	\$ 7,886,976	\$ 7,858,618	\$ 7,875,924
SPECIAL FUNDS.....	11,046	14,433	12,960	13,680	14,720	15,842	17,075
FEDERAL FUNDS.....	859,695	1,199,643	1,255,693	1,255,693	1,255,693	1,255,693	1,255,693
OTHER FUNDS.....	70,828	96,950	93,116	92,101	92,902	93,717	94,549
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 8,452,501</b>	<b>\$ 9,015,429</b>	<b>\$ 9,255,046</b>	<b>\$ 9,248,948</b>	<b>\$ 9,250,291</b>	<b>\$ 9,223,870</b>	<b>\$ 9,243,241</b>



*PROGRAM OBJECTIVE: To provide an effective administrative system through which the substantive programs of the agency can be achieved.*

## Program: Education Support Services

Education Support Services provides for the administrative and overhead systems that support the operation of programs necessary for the achievement of 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, budget, publication and legal offices of the agency, 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 employees and counseling and information services for active employees. The system currently provides benefits to over 130,000 retirees and beneficiaries. The School Employees' Retirement Fund is shown in the Special Funds Appendix.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	<b>General Government Operations</b>			<b>Information and Technology Improvement</b>
\$	1,431	—to continue current program.	\$	-1,238
	251	—to directly appropriate nurses' aid training funds that were transferred from the Department of Public Welfare in prior fiscal years.		2,500
	-400	—nonrecurring information technology project.		
	-281	—nonrecurring start-up costs for the Charter School Appeal Board.		
	500	—Initiative — Automated Child Accounting System. To develop an automated child accounting data system.		1,616
	32	—PRR — Improving Our Schools. This Program Revision provides administrative support to implement family literacy programs in unserved counties. See the Program Revision following the Basic Education program for additional information.		450
	49	—PRR — Improving Our Schools. This Program Revision provides administrative support to enhance the professional development assessment process. See the Program Revision following the Basic Education program for additional information.		300
			\$	3,628
				<i>Appropriation Increase</i>
\$	1,582	<i>Appropriation Increase</i>		

In addition, the School Employees' Retirement Fund will provide \$1,300,000 to the School Employees' Retirement System for an enhanced voice and data networking system, and \$500,000 to develop an automated workflow system for current work processes and paper documents.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	20,017	22,174	23,756	23,801	24,277	24,763	25,258
Information and Technology Improvement ..	1,599	1,238	4,866	4,422	4,428	4,434	4,441
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 21,616</b>	<b>\$ 23,412</b>	<b>\$ 28,622</b>	<b>\$ 28,223</b>	<b>\$ 28,705</b>	<b>\$ 29,197</b>	<b>\$ 29,699</b>



*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**

The Commonwealth and local school districts share the financing of public elementary and secondary education in Pennsylvania. There are 501 local school districts in Pennsylvania. Each is governed by a locally elected school board that is responsible for the administration of the public schools in the district. Funding provided to the school districts by the Commonwealth supplements the funds raised locally.

The Basic Education Funding appropriation is the largest subsidy the Commonwealth provides to support local school districts. Funding is allocated to each district through a formula that is based on district enrollment and relative wealth.

Act 46 of 1998 established the funding formula for the 1998-99 Basic Education Funding appropriation. In addition to providing each school district an amount equal to its 1997-98 allocation, the formula contained five components: a base (equity) supplement, growth supplement, poverty supplement, a minimum increase guarantee and a small district assistance supplement.

Act 36 of 1999 established the funding formula for the 1999-00 Basic Education Funding appropriation. In addition to providing each school district an amount equal to its 1998-99 allocation, the formula contains five components: a base (equity) supplement, growth supplement, poverty supplement, a minimum increase guarantee and a small district assistance supplement.

### **Program Element: Educational Support**

The activities included in this element are those that 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 and subsidy payments to intermediate units.

More than two-thirds of the school buildings in the Commonwealth were constructed prior to 1965. Since that time, needs have changed in terms of instructional programs, accessibility, educational philosophy and technology. Buildings have also experienced normal deterioration from use. These factors, as well as demographic changes and a favorable investment climate, have resulted in a continued increase in the number of school building and renovation projects reviewed annually. Of the 1,600 leases supported with Commonwealth funds, eighty percent of all projects involve renovation or expansion of existing facilities.

### **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. Transportation is provided to and from school for nonpublic school students in accordance with the Public School Code. Also, since 1998-99, the budget has included an appropriation to enable nonprofit, nonpublic schools to be part of Project Link to Learn, the information technology initiative designed to bring the resources of the world into Pennsylvania's classrooms.

### **Program Element: Basic Education — Adjudicated Youth**

This element includes educational services for those in rehabilitative or correctional facilities. The Commonwealth's Youth Development Centers house minors adjudicated from the court system. These centers provide rehabilitation and education for incarcerated juveniles. The appropriation within this element is Youth Development Centers-Education.

### **Program Element: Special Education**

Special education, in partnership with basic education, is serving about 280,000 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.

Funds are also provided under this element for the State-operated Scranton State School for the Deaf.

### **Program Element: Vocational Education**

Vocational Education, also in partnership with basic education, is serving approximately 108,000 secondary students. The appropriation for vocational education is paid to area vocational-technical schools and school districts that provide vocational-technical instruction.



## Program: Basic Education (continued)

### Program Element: Education Mentoring

This program element supports community-based organizations that partner with schools to provide senior/adult/older mentors to at-risk teens and younger students. Mentors are matched with those students most at-risk of dropping out, students with high absentee rates or truancy and poor academic performance. Funds are also distributed to school districts to enhance long-range comprehensive strategies for dropout prevention and dropout reduction. Grants are awarded on a competitive basis.

### 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, childcare services, transportation and other services.

### Program Element: Charter Schools

This program element provides for grants to groups and schools interested in planning and starting charter schools. Charter schools are public schools, approved by local

school districts, which will spur innovative quality while controlling costs. They are created and controlled by parents, community leaders and/or teachers. Charter schools operate free from educational mandates, except those concerning nondiscrimination, health and safety.

### Program Element: Safe and Alternative Schools

Through the Center for Safe Schools, school districts receive grants to implement their localized innovative plans for safer schools. A portion of the funding is targeted to those school districts that have experienced the greatest problems with violence. This effort is intended to provide children with the opportunity to learn and teachers with the opportunity to teach in environments unhindered by violence and disciplinary problems.

This program element also provides for the development of alternative education programs for disruptive students. School districts receive formula-based grants to aid in offsetting the costs of operating these programs. Local participation is encouraged through the requirement of local matching support. School districts are further encouraged to work together to tailor the types of programs necessary to meet their needs, either through consortia or an intermediate unit.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Basic Education</b>							
Public school enrollment (K-12) .....	1,816,566	1,817,530	1,810,150	1,799,900	1,788,600	1,772,400	1,761,400
Total expenditures per average daily membership .....	\$7,845	\$8,000	\$8,200	\$8,500	\$8,700	\$9,000	\$9,200
High school graduation rates (%) .....	84.3	84.2	84.3	84.4	84.4	84.4	84.4
Graduates enrolling in business, technical or college programs .....	82,630	84,330	84,310	84,010	86,120	88,150	90,010
Students taking PA Assessment .....	646,164	705,000	778,000	1,204,000	1,304,000	1,304,000	1,304,000
Total General Educational Development (GED) diplomas .....	19,500	19,500	19,500	19,500	19,500	19,500	19,500
Enrollment in adult basic education .....	56,154	57,000	57,000	57,000	57,000	57,000	57,000
Adult education volunteers trained .....	2,290	2,300	2,300	2,300	2,300	2,300	2,300
Adult education students receiving adjunct services .....	37,100	38,000	38,000	38,000	38,000	38,000	38,000
Trainees enrolled in JTPA job training programs .....	8,523	4,000	0	0	0	0	0
Trainees completing JTPA instruction .....	4,000	4,000	0	0	0	0	0
<b>Basic Education—Nonpublic Schools</b>							
Nonpublic school enrollment .....	331,378	327,050	322,910	318,340	313,860	309,090	304,825
<b>Basic Education—Adjudicated Youth</b>							
Youth Development Centers							
Total youth served .....	2,027	2,125	2,225	2,325	2,425	2,525	2,625
<b>Special Education</b>							
Pupils with disabilities enrolled in programs ...	207,851	208,000	208,000	208,000	208,000	208,000	208,000
Pupils enrolled in programs for the gifted .....	71,940	72,000	72,000	72,000	72,000	72,000	72,000
Scranton School for the Deaf enrollment .....	110	105	120	120	120	120	120
Approved vocational education programs:							
Students enrolled .....	19,600	20,100	20,600	21,200	21,600	21,600	21,600
Students completing programs .....	3,130	3,200	3,300	3,400	3,500	3,500	3,500



## Program: Basic Education (continued)

<b>Program Measures: (continued)</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Vocational Education</b>							
Enrollment .....	105,062	107,700	110,300	113,000	115,000	115,000	115,000
Students placed in jobs .....	19,800	20,300	20,800	21,300	21,800	21,800	21,800
<b>Basic Education—Education Mentoring</b>							
Education mentoring/dropout prevention program enrollment .....	17,483	6,542	3,950	3,950	3,950	3,950	3,950
<b>Basic Education—Teen Parenting</b>							
Students served by teen parenting programs .	5,316	5,500	5,500	5,500	5,500	5,500	5,500

There were 28 Service Delivery Areas (SDAs) that shared JTPA funds. Funding for this program terminated in 1999-00.

Adult education volunteers trained decreased from projections shown in last year's budget based on actual activity.

Total youth served in Youth Development Centers (YDCs) is projected to increase in future years due to an anticipated increase in the number of placements in YDCs by the juvenile justice system.

Special education students completing approved vocational education programs decreased from those shown in last year's budget due to more students completing academic courses of study.

Vocational education students placed in jobs increased from those shown in last year's budget due to favorable job market conditions.

Education mentoring/dropout prevention program enrollments are projected to decrease beginning in 1999-00 as more intensive mentoring programs are focused on the most at-risk students.

## Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<table border="0"> <tr> <td style="width: 50px;"></td> <td><b>GENERAL FUND</b></td> <td></td> </tr> <tr> <td></td> <td><b>PA Assessment</b></td> <td style="text-align: right;">\$ 33,538</td> </tr> <tr> <td>\$ 307</td> <td>— to continue current program.</td> <td></td> </tr> <tr> <td>4,465</td> <td>— PRR — Improving Our Schools. This Program Revision provides resources to strengthen and expand the current academic testing system to incorporate the new higher academic standards. See the Program Revision following this program for additional information.</td> <td style="text-align: right;">-16,769</td> </tr> <tr> <td></td> <td></td> <td style="border-top: 1px solid black; text-align: right;">\$ 16,769</td> </tr> <tr> <td>\$ 4,772</td> <td><i>Appropriation Increase</i></td> <td></td> </tr> <tr> <td></td> <td><b>Youth Development Centers — Education</b></td> <td style="text-align: right;">\$ 20,000</td> </tr> <tr> <td>\$ -1,361</td> <td>— nonrecurring costs due to the closing of Bensalem YDC.</td> <td></td> </tr> <tr> <td>61</td> <td>— to continue current program.</td> <td></td> </tr> <tr> <td>\$ -1,300</td> <td><i>Appropriation Decrease</i></td> <td></td> </tr> <tr> <td></td> <td><b>Scranton State School for the Deaf</b></td> <td></td> </tr> <tr> <td>\$ 188</td> <td>— to continue current program.</td> <td></td> </tr> <tr> <td>103</td> <td>— Initiative — Program Enhancements. To establish a Cochlear Implant Resource Center and a summer camp program.</td> <td style="text-align: right;">\$ -63,600</td> </tr> <tr> <td>\$ 291</td> <td><i>Appropriation Increase</i></td> <td></td> </tr> <tr> <td></td> <td><b>Basic Education Funding</b></td> <td style="text-align: right;">\$ 21,450</td> </tr> <tr> <td>\$ 110,319</td> <td>— PRR — Improving Our Schools. This Program Revision provides for a three percent increase for basic education programs. See the Program Revision following this program for additional information.</td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">-20,150</td> </tr> <tr> <td></td> <td></td> <td style="border-top: 1px solid black; text-align: right;">\$ 1,300</td> </tr> </table>		<b>GENERAL FUND</b>			<b>PA Assessment</b>	\$ 33,538	\$ 307	— to continue current program.		4,465	— PRR — Improving Our Schools. This Program Revision provides resources to strengthen and expand the current academic testing system to incorporate the new higher academic standards. See the Program Revision following this program for additional information.	-16,769			\$ 16,769	\$ 4,772	<i>Appropriation Increase</i>			<b>Youth Development Centers — Education</b>	\$ 20,000	\$ -1,361	— nonrecurring costs due to the closing of Bensalem YDC.		61	— to continue current program.		\$ -1,300	<i>Appropriation Decrease</i>			<b>Scranton State School for the Deaf</b>		\$ 188	— to continue current program.		103	— Initiative — Program Enhancements. To establish a Cochlear Implant Resource Center and a summer camp program.	\$ -63,600	\$ 291	<i>Appropriation Increase</i>			<b>Basic Education Funding</b>	\$ 21,450	\$ 110,319	— PRR — Improving Our Schools. This Program Revision provides for a three percent increase for basic education programs. See the Program Revision following this program for additional information.				-20,150			\$ 1,300	<table border="0"> <tr> <td><b>Performance Incentives</b></td> </tr> <tr> <td>— PRR — Improving Our Schools. This Program Revision provides incentive grant awards to schools that demonstrate improvements in academic achievement and effort. See the Program Revision following this program for additional information.</td> </tr> <tr> <td>— performance incentive award funding in the 1999-00 budget.</td> </tr> <tr> <td><i>Appropriation Increase</i></td> </tr> <tr> <td><b>School Improvement Grants</b></td> </tr> <tr> <td>— PRR — Improving Our Schools. This Program Revision provides resources to eligible school districts for the development and implementation of school improvement plans that improve the level of student performance and the management and operation of the school district. See the Program Revision following this program for additional information.</td> </tr> <tr> <td><b>Educational Opportunity Program</b></td> </tr> <tr> <td>— funding not included for 2000-01.</td> </tr> <tr> <td><b>Technology Initiative</b></td> </tr> <tr> <td>— PRR — Improving Our Schools. This Program Revision provides resources for integrated learning systems technologies, the development of digital school districts, and expansion of a spending analysis and management project. See the Program Revision following this program for additional information.</td> </tr> <tr> <td>— Link to Learn funding for local education agencies in the 1999-00 budget.</td> </tr> <tr> <td><i>Appropriation Increase</i></td> </tr> </table>	<b>Performance Incentives</b>	— PRR — Improving Our Schools. This Program Revision provides incentive grant awards to schools that demonstrate improvements in academic achievement and effort. See the Program Revision following this program for additional information.	— performance incentive award funding in the 1999-00 budget.	<i>Appropriation Increase</i>	<b>School Improvement Grants</b>	— PRR — Improving Our Schools. This Program Revision provides resources to eligible school districts for the development and implementation of school improvement plans that improve the level of student performance and the management and operation of the school district. See the Program Revision following this program for additional information.	<b>Educational Opportunity Program</b>	— funding not included for 2000-01.	<b>Technology Initiative</b>	— PRR — Improving Our Schools. This Program Revision provides resources for integrated learning systems technologies, the development of digital school districts, and expansion of a spending analysis and management project. See the Program Revision following this program for additional information.	— Link to Learn funding for local education agencies in the 1999-00 budget.	<i>Appropriation Increase</i>
	<b>GENERAL FUND</b>																																																																		
	<b>PA Assessment</b>	\$ 33,538																																																																	
\$ 307	— to continue current program.																																																																		
4,465	— PRR — Improving Our Schools. This Program Revision provides resources to strengthen and expand the current academic testing system to incorporate the new higher academic standards. See the Program Revision following this program for additional information.	-16,769																																																																	
		\$ 16,769																																																																	
\$ 4,772	<i>Appropriation Increase</i>																																																																		
	<b>Youth Development Centers — Education</b>	\$ 20,000																																																																	
\$ -1,361	— nonrecurring costs due to the closing of Bensalem YDC.																																																																		
61	— to continue current program.																																																																		
\$ -1,300	<i>Appropriation Decrease</i>																																																																		
	<b>Scranton State School for the Deaf</b>																																																																		
\$ 188	— to continue current program.																																																																		
103	— Initiative — Program Enhancements. To establish a Cochlear Implant Resource Center and a summer camp program.	\$ -63,600																																																																	
\$ 291	<i>Appropriation Increase</i>																																																																		
	<b>Basic Education Funding</b>	\$ 21,450																																																																	
\$ 110,319	— PRR — Improving Our Schools. This Program Revision provides for a three percent increase for basic education programs. See the Program Revision following this program for additional information.																																																																		
		-20,150																																																																	
		\$ 1,300																																																																	
<b>Performance Incentives</b>																																																																			
— PRR — Improving Our Schools. This Program Revision provides incentive grant awards to schools that demonstrate improvements in academic achievement and effort. See the Program Revision following this program for additional information.																																																																			
— performance incentive award funding in the 1999-00 budget.																																																																			
<i>Appropriation Increase</i>																																																																			
<b>School Improvement Grants</b>																																																																			
— PRR — Improving Our Schools. This Program Revision provides resources to eligible school districts for the development and implementation of school improvement plans that improve the level of student performance and the management and operation of the school district. See the Program Revision following this program for additional information.																																																																			
<b>Educational Opportunity Program</b>																																																																			
— funding not included for 2000-01.																																																																			
<b>Technology Initiative</b>																																																																			
— PRR — Improving Our Schools. This Program Revision provides resources for integrated learning systems technologies, the development of digital school districts, and expansion of a spending analysis and management project. See the Program Revision following this program for additional information.																																																																			
— Link to Learn funding for local education agencies in the 1999-00 budget.																																																																			
<i>Appropriation Increase</i>																																																																			





## Program: Basic Education (continued)

**Program Recommendations: (continued)** This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ -400	<b>Science Education Program</b> — nonrecurring project.	\$ 3,982	<b>Early Intervention</b> — to continue current program.
\$ 4,130	<b>Teacher Professional Development</b> — PRR — Improving Our Schools. This Program Revision provides resources to expand summer professional development opportunities to ensure successful integration of the new academic and vocational-technical education standards within basic education curricula, and to enhance the professional development assessment process. See the Program Revision following this program for additional information.	\$ 19	<b>Homebound Instruction</b> — to continue current program.
		\$ 2,881	<b>Tuition for Orphans and Children Placed in Private Homes</b> — to continue current program.
		\$ 1,152	<b>PA Charter Schools for Deaf and Blind</b> — to continue current program.
\$ 25,000	<b>Read to Succeed</b> — PRR — Improving Our Schools. This Program Revision provides second-year funding for an intensive reading program targeted to school districts with students in the early K-3 grades who are not progressing toward the proficient level on the State standards for reading. See the Program Revision following this program for additional information.	\$ 1,794	<b>Special Education - Approved Private Schools</b> — to continue current program.
		\$ 292	<b>Intermediate Units</b> — to continue current program.
		\$ 163	<b>School Food Services</b> — to continue current program.
-35,000	— Read to Succeed funding for local education agencies in the 1999-00 budget.	3,600	— initiative — School Lunch Program Reimbursement. To increase the State reimbursement for the school lunch program.
\$ -10,000	<i>Appropriation Decrease</i>	\$ 3,763	<i>Appropriation Increase</i>
		\$ 21,282	<b>School Employes' Social Security</b> — to continue current program.
\$ 317	<b>Adult and Family Literacy</b> — to continue current program.	\$ -70,464	<b>School Employes' Retirement</b> — to continue current program at established employer contribution rate.
5,000	— PRR — Improving Our Schools. This Program Revision provides resources to establish a Statewide intensive child-focused family literacy summer reading program, and 24 new family literacy programs in poor and rural areas of unserved counties. See the Program Revision following this program for additional information.	\$ -4,750	<b>School District Demonstration Projects</b> — nonrecurring projects.
		\$ 3	<b>Education of Indigent Children</b> — to continue current program.
\$ 5,317	<i>Appropriation Increase</i>	\$ 1,996	<b>Services to Nonpublic Schools</b> — to continue current program.
\$ 1,546	<b>Vocational Education</b> — to continue current program.		<b>Textbooks and Instructional Materials for Nonpublic Schools</b> — to continue current program.
\$ -3,700	<b>New Choices/New Options</b> — nonrecurring projects.	\$ 611	
\$ 23,585	<b>Pupil Transportation</b> — to continue current program.	\$ 6,000	<b>Technology for Nonpublic Schools</b> — PRR — Improving Our Schools. This Program Revision provides resources to enable nonpublic schools to participate in the educational benefits afforded by information technology. See the Program Revision following this program for additional information.
\$ -617	<b>Nonpublic and Charter School Pupil Transportation</b> — reflects projected decrease in number of nonpublic students to be transported.	-4,000	— Link to Learn funding for nonpublic schools in the 1999-00 budget.
\$ 46,889	<b>Special Education</b> — PRR — Improving Our Schools. This Program Revision provides for a six and one-half percent increase for special education programs. See the Program Revision following this program for additional information.	\$ 2,000	<i>Appropriation Increase</i>



## Program: Basic Education (continued)

### Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

	<b>Governor's Schools of Excellence</b>			<b>MOTOR LICENSE FUND</b>	
\$	48	— to continue current program.		<b>Safe Driving Course</b>	
	300	— Initiative — Governor's School for Information Technology. To provide operational resources for the Governor's School for Information Technology.	\$	48	— to continue current program.
<hr/>					
\$	348	<i>Appropriation Increase</i>			
<b>JTPA - Matching Funds</b>					
\$	-3,996	— reflects elimination of Federal JTPA program.			
<b>Safe and Alternative Schools</b>					
\$	3,200	— PRR — Improving Our Schools. This Program Revision expands the Safe Schools Program to assist school districts to be more proactive in preventing and reducing school violence, and expands the Alternative Education Program to assist school districts in educating disruptive children. See the Program Revision following this program for additional information.			

All other appropriations are recommended at the current year funding levels.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
PA Assessment .....	\$ 7,648	\$ 10,228	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Youth Development Centers - Education....	11,565	11,988	10,688	10,902	11,120	11,342	11,569
Scranton State School for the Deaf .....	5,005	5,253	5,544	5,655	5,768	5,883	6,000
Basic Education Funding .....	3,570,188	3,677,294	3,787,613	3,787,613	3,787,613	3,787,613	3,787,613
Performance Incentives .....	13,415	16,769	33,538	33,538	33,538	33,538	33,538
School Improvement Grants .....	0	0	20,000	20,000	20,000	20,000	20,000
Educational Opportunity Program .....	0	63,600	0	0	0	0	0
Technology Initiative .....	36,333	20,150	21,450	21,100	15,100	100	100
Science Education Program .....	450	400	0	0	0	0	0
Teacher Professional Development .....	2,989	3,540	7,670	7,670	7,670	7,670	7,670
Read to Succeed .....	0	35,000	25,000	25,000	15,000	0	0
Adult and Family Literacy .....	12,055	12,662	17,979	17,979	17,979	17,979	17,979
Vocational Education .....	49,879	51,523	53,069	53,069	53,069	53,069	53,069
New Choices / New Options .....	0	3,700	0	0	0	0	0
Authority Rentals and Sinking Fund							
Requirements .....	233,766	253,766	253,766	253,766	253,766	253,766	253,766
Pupil Transportation .....	367,444	386,707	410,292	410,292	410,292	410,292	410,292
Nonpublic and Charter School Pupil							
Transportation .....	54,926	56,009	55,392	55,392	55,392	55,392	55,392
Special Education .....	677,611	719,500	766,389	766,389	766,389	766,389	766,389
Early Intervention .....	81,455	84,719	88,701	88,701	88,701	88,701	88,701
Homebound Instruction .....	686	643	662	662	662	662	662
Tuition for Orphans and Children Placed in Private Homes .....	38,375	40,079	42,960	42,960	42,960	42,960	42,960
Payments in Lieu of Taxes .....	182	182	182	182	182	182	182
Education of Migrant Laborers' Children ....	248	727	727	727	727	727	727



## Program: Basic Education (continued)

### Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND: (continued)</b>							
PA Charter Schools for the Deaf and Blind	\$ 22,861	\$ 23,847	\$ 24,999	\$ 24,999	\$ 24,999	\$ 24,999	\$ 24,999
Special Education - Approved Private Schools	58,066	59,808	61,602	61,602	61,602	61,602	61,602
Intermediate Units	5,693	5,835	6,127	6,127	6,127	6,127	6,127
School Food Services	16,679	16,723	20,486	20,486	20,486	20,486	20,486
School Employees' Social Security	343,800	350,328	371,610	386,474	401,933	418,010	434,730
School Employees' Retirement	380,981	169,931	99,467	99,467	99,467	99,467	99,467
School District Demonstration Projects	5,400	4,750	0	0	0	0	0
Education of Indigent Children	110	113	116	116	116	116	116
Education Mentoring	1,196	1,200	1,200	1,200	1,200	1,200	1,200
Services to Nonpublic Schools	64,588	66,526	68,522	68,522	68,522	68,522	68,522
Textbooks and Instructional Materials for Nonpublic Schools	19,768	20,362	20,973	20,973	20,973	20,973	20,973
Technology for Nonpublic Schools	5,000	4,000	6,000	6,000	6,000	0	0
Teen Pregnancy and Parenthood	1,452	1,500	1,500	1,500	1,500	1,500	1,500
Comprehensive Reading	300	300	300	300	300	300	300
Ethnic Heritage	100	160	160	160	160	160	160
Governor's Schools of Excellence	1,478	1,916	2,264	2,264	2,264	2,264	2,264
JTPA - Matching Funds	4,586	3,996	0	0	0	0	0
School-to-Work Opportunities	500	500	500	500	500	500	500
Job Training Programs	5,400	3,750	3,750	3,750	3,750	3,750	3,750
Charter Schools	1,600	1,800	1,800	1,800	1,800	1,800	1,800
Charter Schools - Nonpublic Transfers	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Safe and Alternative Schools	6,108	32,000	35,200	35,200	35,200	35,200	35,200
Administrative/Instructional Consolidation	1,000	1,500	1,500	1,500	1,500	1,500	1,500
<b>TOTAL GENERAL FUND</b>	<b>\$ 6,111,886</b>	<b>\$ 6,226,284</b>	<b>\$ 6,345,698</b>	<b>\$ 6,360,537</b>	<b>\$ 6,360,327</b>	<b>\$ 6,340,741</b>	<b>\$ 6,357,805</b>
<b>MOTOR LICENSE FUND:</b>							
Safe Driving Course	\$ 1,182	\$ 1,591	\$ 1,639	\$ 1,639	\$ 1,639	\$ 1,639	\$ 1,639



## Program Revision: Improving Our Schools

Pennsylvania's future depends upon the educational opportunities offered to our children. Every child needs a quality education to realize his or her full potential and to build a foundation for lifelong learning. This Program Revision increases funding for a variety of basic education and literacy programs and strategies designed to address the educational needs of children and their families, and builds upon the substantial information technology investments of the previous four years in both public and nonpublic elementary and secondary schools and higher education institutions.

This Program Revision increases support for basic education, expands the performance incentive program, refines and expands the current academic assessment system and expands teacher professional development opportunities. In addition, this Program Revision proposes initiatives to establish a Statewide school spending and management reporting process, conduct independent evaluations of school academic and financial performance, and support the implementation of school improvement plans. This Program Revision also recommends funding for new basic education technology initiatives, including the development and implementation of integrated learning systems technologies and a model digital school district, and continues technology investments in basic and higher education. To enhance reading and literacy opportunities, this Program Revision expands child-focused and family literacy programs, and recommends second year funding for Read to Succeed, an intensive reading program for students in grades K-3. Finally, this Program Revision increases special education funding and expands programs to assist school districts to be more proactive in preventing and reducing school violence and in educating students that exhibit disruptive or violent behavior.

### Basic Education

This Program Revision recommends an additional \$110.3 million for Basic Education Funding. The proposal distributes \$76 million to 399 school districts based on their wealth and enrollment. An additional \$6 million is provided to 240 school districts who experienced enrollment growth in the past school year. The proposal also provides nearly \$5 million to assist school districts whose enrollment includes a large proportion of children from low-income families and \$9 million to assist smaller, less affluent school districts. Nearly \$14 million, representing a four percent funding increase, is provided to 109 of the poorest school districts, and approximately \$2 million is provided to ensure that, at a minimum, all school districts will receive at least a one percent funding increase.

### Performance Incentives and Academic Achievement

This Program Revision recommends over \$33.5 million, a doubling of the incentive award program, which recognizes schools that make notable improvements in student achievement and effort. Schools will qualify for incentive awards based on significant improvements in student academic achievement and school attendance. Academic achievement is measured by a school's improvement in comparison to results from prior years on the Statewide Pennsylvania System of School Assessment. A school's effort will be assessed based on student attendance rates and, in subsequent years, also based on high school graduation rates. Funding for the Performance Incentive Program is expected to grow along with future funding increases in the Basic Education Funding appropriation.

This Program Revision also recommends approximately \$4.5 million to strengthen the Pennsylvania System of School Assessment. Funding is provided to expand the number of subject areas tested under the assessments, develop a third grade assessment in reading and mathematics, and make improvements to the current assessment tools used for reading, mathematics and writing in order to incorporate the new higher academic standards. Higher academic standards will ensure that our children will be prepared to succeed in higher education, in the workforce and in our society.

### School Accountability and Performance

The desire for accountability and performance is increasingly becoming a key issue as funding is discussed and determined for our educational system. There is a need, however, to ensure that information linking accountability and performance is analyzed and presented in a manner that allows elected officials, educators, parents and interested individuals to make informed, balanced decisions. This Program Revision includes proposals designed to provide important information to citizens, school administrators and government policy makers, and to assist school districts with school improvement plans.

This Program Revision recommends nearly \$1.5 million to expand a spending analysis and management project. Over the past two years, school districts, vocational technical schools and intermediate units have voluntarily collaborated on this project with the Department of Education to develop a reporting process that provides easily understandable and comparable data on school expenditures for citizens, school administrators and policy makers. This Program Revision provides grants to school districts to continue collaborative efforts with the department to develop a reporting model that integrates financial terms



**Program Revision: Improving Our Schools (continued)**

and easily understood definitions into graphic and pictorial displays, improves and expands current accounting processes, collects and aggregates data in an efficient manner, allows on-line data access, and expands and improves upon information published in the School Profiles. The creation of this management system throughout Pennsylvania's educational system will provide consistency in school financial reporting and allow an empirical look at the relationship between school funding and school performance.

This Program Revision also recommends \$2.5 million for an independent school evaluation that analyzes academic and financial indicators, provides comparable benchmarks and presents impartial findings on the performance of school districts. The evaluation would identify baseline and incremental school district spending and track a school district's financial status including its debt and capital spending levels in order to link academic results with finances and other factors that can influence school performance. This Program Revision will provide objective, accessible information which links funding and performance as well as a decision-making tool for taxpayers, educators, school boards and State and local education officials committed to improving student achievement and management of the school system.

While education in Pennsylvania historically has been considered a local responsibility, the Commonwealth has a commitment to ensure that the educational needs of students are not detrimentally affected when school districts experience financial or management problems. This Program Revision recommends \$20 million for school improvement grants to assist financially and academically distressed school districts. Funding will be used for the development and implementation of school improvement plans that improve the level of student performance and the management and operation of the school district.

**Education Technology**

During the past four years, the Commonwealth provided more than \$166 million to expand the use of technology in Pennsylvania schools, higher education institutions and communities through the Link to Learn Initiative. This initiative has significantly improved the basic technology infrastructure and capabilities of public K-12 school by targeting technology resources toward preparing children to meet the challenges of the 21st century. Because of the infusion of these funds, more than 90 percent of all public school districts have access to the Internet and almost 45,000 classrooms are connected to the Internet and to each other. This Program Revision changes the focus of the Link to Learn Initiative from one of building the technology infrastructure to one of integrating technology into the administration and curriculum of our schools.

This Program Revision recommends \$15 million for Students Achieving Standards, a three-year refocusing of Link to Learn that uses technology to help students achieve academic standards and master basic skill sets and to improve the delivery of education in our public schools. Elementary schools will receive grants to purchase advanced, integrated learning system technologies that assess individual student learning needs and customize instruction to the student, correlate academic standards to school resources, automate administrative responsibilities of teachers and track individual student progress through assessments and reports. Grants could also be used for computer hardware and software as well as training needs related to learning system implementation. The learning system technologies funded through this Program Revision will provide students with individualized, self-directed learning and regular progress assessments. The progress assessments will provide instant feedback to students and their parents, and will allow teachers to identify particular student strengths and adapt lesson plans to address student needs.

This Program Revision also recommends \$5 million to develop Digital School Districts, model schools in which to consolidate all the best practices in Pennsylvania schools and that will serve as a living, working illustration of the impact technology can have on all facets of the educational system. Digital School Districts would be open for all educators and policy makers to tour and, as a central "educational technology laboratory," would host conferences and seminars to demonstrate how technologies can change teaching, learning, and administering a school district. School districts or several school districts in partnership will be encouraged to submit proposals describing their vision of a Digital School District. The proposals would describe how the district would partner with technology companies and the community to improve educational programs and student achievement, effect administrative and educational program efficiencies and cost savings, provide access to lifelong learning opportunities for all community members, and make themselves a resource center accessible to all other school districts for the transfer of knowledge, experience and best practices. A committee of public and private sector representatives would evaluate and select proposals that best exemplify the vision of a Digital School District. Technology companies will be invited and encouraged to demonstrate how their products can be used in concert with other technologies to create digital schools. The Department of Education would use \$1 million of the proposed funding to market the Digital School District concept to assure technology companies that product donations as well as their expertise and technical assistance will contribute to projects that will attract worldwide attention to Pennsylvania's education and technology efforts.



**Program Revision: Improving Our Schools (continued)**

This Program Revision continues Link to Learn technology investments in nonpublic schools and higher education institutions. This Program Revision recommends \$6 million for the purchase of computers that can be loaned to nonpublic schools so all students can participate in the educational benefit of information technology. In addition, this Program Revision recommends \$10 million for higher education technology grants targeted toward workforce development, research and professional development programs as well as toward the development of information sciences and technology programs curricula and infrastructure to interconnect community networks.

**Teacher Professional Development**

This Program Revision provides additional resources to expand and enhance teacher professional development programs. Training teachers on the new standards is critical to the successful integration of the standards into a school's curriculum. Training programs provide technical assistance and include resource packages containing the standards, a description of their connection to the PA System of School Assessment, guidance on the alignment of curriculum, and instruction, assessment and standards-based instructional material.

This Program Revision recommends \$360,000 to expand the Governor's Teacher Institutes to include vocational technical educators. Three training institutes, focusing on health occupations, trade and industrial education, will provide professional development opportunities for academic and vocational-technical education teachers. These programs will seek to integrate academic and vocational-technical education standards in order to strengthen educators' capacity to give instruction that provides opportunities for students to relate academic subjects to real-world vocational-technical experiences.

Given that the Commonwealth and its school system spend over \$100 million annually on professional development, it is important to determine which areas of professional development will best serve the needs of educators. This Program Revision recommends \$3 million to enhance the professional development assessment process. These assessments will enable local and State education agencies to focus professional development activities on areas that need to be strengthened to enable students to achieve high standards. As a result, student achievement will improve because of more effective and productive instruction. In addition, this Program Revision recommends \$770,000 to expand teacher certification programs to ensure educators will be able to maintain instructional skills in their areas of certification.

Through these coordinated efforts, educators will be better able to prepare our students to meet the new and more rigorous academic standards and to acquire skills

needed to succeed in the workplace and the community.

**Expanding Literacy Opportunities**

All students need strong reading and writing skills to serve as the foundation for learning. Strong reading skills provide students the opportunity to achieve in school, in the workplace and in the community. This Program Revision recommends three proposals to help all Pennsylvania students and parents increase literacy skills to provide for lifelong learning and successful participation in the workplace and community. The first focuses on early childhood programs and encourages collaboration among programs offered by community groups, libraries, schools and the existing literacy network. The second recommends continued support for the Read to Succeed program. The third proposes to expand the current literacy network Statewide.

This Program Revision recommends \$3 million to establish a family literacy summer reading program to help parents and their children improve language skills, and to enhance existing public library pre-school story hours and public library summer reading programs to assist students to return to school after the summer recess ready to learn. Funding will be provided for intensive reading programs in 67 counties in collaboration with public libraries, school districts, and other community-based organizations.

This Program Revision recommends \$25 million in second year funding for the Read to Succeed program. The goal of Read to Succeed is to initiate an early literacy intervention program for students in grades K-3 who are not progressing toward the proficient level on the State academic standards for reading to ensure that every student will be reading with comprehension and application no later than the end of the third grade. Funding will enable schools to continue programs that improve student progress toward the proficiency level of the third grade standards. Program components include the identification of students at risk in every school, the development of grade-level plans for assisting students with reading difficulties and local assessments for monitoring student progress in achieving standards. In addition, funds are proposed for schools to participate in a diagnostic assessment administered at the beginning of first and second grade. Funding is also proposed for targeted professional development for K-3 teachers and for programs to increase parental involvement in reading programs.

The literacy competence of children is directly related to the educational level of their parents. Children whose parents have low skills not only lack the advantages of a home with an educated parent, but also are less likely to be exposed to educational opportunities outside the home and are often less ready for school. To address this need, the Commonwealth currently operates family literacy



## Program Revision: Improving Our Schools (continued)

programs in 43 counties that blend early childhood and adult education services to help move Pennsylvania families to self-sufficiency, while bolstering the role of parents as their children's first and most important teachers. This Program Revision recommends \$2 million in start-up funding to establish 24 new family literacy programs, serving 480 families, in counties currently not served by such a program.

### Special Education

This Program Revision recommends an additional \$46.9 million for Special Education programs in Pennsylvania's schools. This proposal simplifies the current special education funding allocation process by distributing approximately \$32 million based on the relative wealth of each school district. All school districts will receive a portion of the \$32 million. At a minimum, all school districts will receive at least a two percent funding increase. In addition, the contingency fund set-aside for extraordinary special education expenditures will be increased from one percent to two percent of the appropriation in order to address special conditions within school districts which affect their ability to provide special education services. This proposed special education funding change moves toward providing more State funding to school districts with moderate to low levels of local wealth.

### Safe Schools and Alternative Education Programs

The Commonwealth has implemented two innovative programs to ensure positive and safe school environments unhindered by violence and disciplinary problems and conducive to learning for both students and teachers. The Safe Schools Program assists school districts to address incidents of disruptive and violent behavior in the schools, and the Alternative Education Program assists school districts in developing appropriate programming for students who behave in a manner disruptive to the school environment. This Program Revision recommends an

additional \$3.2 million for Safe Schools and Alternative Education programs. Total program funding will be used to expand and enhance safe schools and alternative education programs. Funding will support training, monitoring and technical assistance activities provided by the Center for Safe Schools; new and continuation grants for the development and implementation of violence prevention strategies; safety planning, counseling, alternative education and security programs; and the acquisition of security equipment and technology.

In addition, the Public School Employees' Retirement System Board has reduced the employer contribution rate each year since 1995-96 for covered local education agency employees. Board actions to reduce the employer contribution rate have freed-up significant local funding for school districts and other local education agencies. As a result of the latest employer contribution rate reduction approved by the board, local education agencies will have an additional \$115 million available in 2000-01 to reallocate in their budgets to expand or enhance educational programming. Including this \$115 million, board actions to reduce the employer contribution rate will have freed-up a total of \$940 million over the past five years for local education agencies to reinvest in lowering class size, improved technology, or other local priorities, or use to hold the line on local tax increases.

This Program Revision continues the Commonwealth's significant commitment to basic education, by strengthening and expanding successful programs and by creating new and innovative strategies to enhance educational opportunities and provide quality education to all Pennsylvania's children. With this Program Revision, total direct State support for local school districts will have increased by \$1.2 billion since 1994-95.

Program Measures	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
School districts receiving funds based on aid ratio and enrollment							
Program Revision .....	0	0	399	399	399	399	399
School districts receiving funds based on enrollment growth							
Program Revision .....	0	0	240	240	240	240	240
School districts receiving funds due to low wealth							
Program Revision .....	0	0	109	109	109	109	109
Students taking PA Assessment tests							
Current .....	646,164	705,000	715,000	735,000	755,000	775,000	795,000
Program Revision .....	0	0	778,000	1,204,000	1,304,000	1,304,000	1,304,000



## Program Revision: Improving Our Schools (continued)

Program Measures: (continued)	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Schools participating in spending analysis and management reporting process							
Current .....	31	24	25	5	5	5	5
Program Revision .....	0	0	446	446	446	446	446
Students benefitting from integrated learning systems technologies							
Program Revision .....	0	0	160,283	160,283	160,283	160,283	160,283
Participants eligible for professional development							
Program Revision .....	0	0	61,140	61,140	61,140	61,140	61,140
Participants in Institute for Vocational Technical Educators							
Program Revision .....	0	0	300	300	300	300	300
Counties with Pennsylvania Family Literacy Programs							
Current .....	43	43	43	43	43	43	43
Program Revision .....	0	0	67	67	67	67	67
Schools districts receiving Read to Succeed Grants							
Program Revision .....	0	249	249	249	249	0	0
Safe Schools grants							
Program Revision .....	0	0	400	400	400	400	400

### Program Revision Recommendations:

 This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 81	<b>General Government Operations</b> — for administrative support to implement family literacy programs in unserved counties and to develop and implement a professional development assessment program.	\$ 20,000	<b>School Improvement Grants</b> — to provide resources to eligible school districts for the development and implementation of school improvement plans that improve the level of student performance and the management and operation of the school district.
\$ 110,319	<b>Basic Education Funding</b> — to provide a three percent increase for basic education programs.	\$ 15,000	<b>Technology Initiative</b> — to provide resources for school districts to implement integrated learning system applications software.
\$ 33,538	<b>Performance Incentives</b> — for increased incentive grant awards to schools that demonstrate improvements in academic achievement and effort.	\$ 5,000	— for the development and implementation of model Digital Schools.
\$ 4,465	<b>PA Assessment</b> — to strengthen and expand the current academic testing system to incorporate the new higher academic standards.	\$ 1,450	— to expand the spending analysis and management project to additional school districts.
\$ 2,500	<b>Information and Technology Improvement</b> — to conduct an independent school evaluation to analyze academic and financial indicators, provide valuable comparable benchmarks and present impartial findings on the performance of school districts.	\$ 6,000	<b>Technology for Nonpublic Schools</b> — to enable nonpublic schools to participate in the educational benefits afforded by information technology.
		\$ 21,450	<i>Appropriation Total</i>





## Program Revision: Improving Our Schools (continued)

### Program Revision Recommendations: (continued)

This budget recommends the following changes:  
(Dollar Amounts in Thousands)

\$ 10,000	<b>Higher Education Technology Grants</b> —to provide competitive grants focused on innovative approaches to community-based networking and for curriculum development for information sciences and technology programs.	\$ 5,000	<b>Adult and Family Literacy</b> — to establish a Statewide intensive child-focused family literacy summer reading program, and 24 new family literacy programs in poor and rural areas of unserved counties
\$ 4,130	<b>Teacher Professional Development</b> — to expand summer professional development opportunities to ensure successful integration of academic and vocational-technical education standards within basic education curricula and to enhance the professional development assessment process.	\$ 32	<b>State Library</b> —for administrative support to implement public library summer reading programs.
\$ 25,000	<b>Read to Succeed</b> — second year funding for an intensive reading program targeted to school districts with students in grades K-3 who are not progressing toward the proficient level on the State standards for reading.	\$ 46,889	<b>Special Education</b> — to provide a six and one-half percent increase for special education programs.
		\$ 3,200	<b>Safe and Alternative Schools</b> — to expand the Safe Schools Program to assist school districts to be more proactive in preventing and reducing school violence, and the Alternative Education Program to assist school districts in educating disruptive children.
		\$ 292,604	<i>Program Revision Total</i>

### Recommended Program Revision Costs by Appropriation

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 0	\$ 0	\$ 81	\$ 162	\$ 165	\$ 169	\$ 172
Information and Technology Improvement ..	0	0	2,500	2,500	2,500	2,500	2,500
PA Assessment .....	0	0	4,465	4,465	4,465	4,465	4,465
State Library .....	0	0	32	64	65	67	68
Basic Education Funding .....	0	0	110,319	110,319	110,319	110,319	110,319
Performance Incentives .....	0	0	33,538	33,538	33,538	33,538	33,538
School Improvement Grants .....	0	0	20,000	20,000	20,000	20,000	20,000
Technology Initiative .....	0	0	21,450	21,100	15,100	100	100
Teacher Professional Development .....	0	0	4,130	4,130	4,130	4,130	4,130
Read to Succeed .....	0	0	25,000	25,000	15,000	0	0
Adult and Family Literacy .....	0	0	5,000	5,000	5,000	5,000	5,000
Special Education .....	0	0	46,889	46,889	46,889	46,889	46,889
Technology for Nonpublic Schools .....	0	0	6,000	6,000	6,000	0	0
Safe and Alternative Schools .....	0	0	3,200	3,200	3,200	3,200	3,200
Higher Education Technology Grants .....	0	0	10,000	10,000	10,000	0	0
<b>GENERAL FUND TOTAL .....</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 292,604</b>	<b>\$ 292,367</b>	<b>\$ 276,371</b>	<b>\$ 230,377</b>	<b>\$ 230,381</b>



*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 ensure 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, and the School Library Catalog.

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 the 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 1998, the catalog has been available on the Internet as part of the Access Pennsylvania library database.

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 throughout the Commonwealth.

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 by making their resources and services available to all residents of their

respective areas. In addition, they support four regional resource center libraries that 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 in partnership with the Carnegie Library of Pittsburgh and the Free Library of Philadelphia.

The Library ACCESS program has three components. First, the Statewide Library Card 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 areas. Second, the Interlibrary Delivery Service provides cost-effective transportation and delivery of materials between libraries. Third, this program supports the POWER (Pennsylvania Online World of Electronic Resources) Library. The POWER Library provides online periodical and reference databases covering a broad range of subjects for public and school library users.

The School Library Catalog program supports the development and expansion of the Access Pennsylvania library database. This database is an electronic catalog that 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, public, college or university library. The program's objective is to increase access to educational materials and to automate the time consuming management functions of Pennsylvania's school libraries. The program improves the educational curriculum across the Commonwealth by providing access to information.

## Program: Library Services (continued)

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Items loaned (in thousands) .....	70,284	71,600	73,030	74,850	76,350	77,250	78,800
Titles in State Library collection listed in machine readable catalog database .....	929,200	942,750	953,350	960,725	965,950	971,200	1,019,810
Patron queries handled by State Library staff .....	106,433	108,250	110,420	112,500	114,750	117,000	121,000
Items loaned under the Statewide Library ACCESS program .....	10,560	10,770	10,990	11,200	11,430	11,650	11,800
Citizens served by Access Pennsylvania database .....	709,000	741,000	1,000,000	1,300,000	1,900,000	2,400,000	2,900,000

A total of 98% of the Commonwealth's population is served by State-aided libraries.

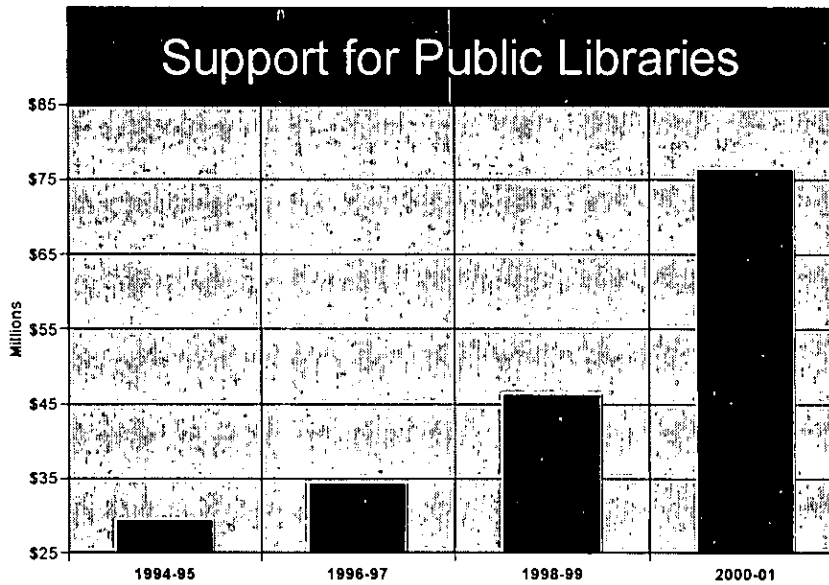
Items loaned under the Statewide Library ACCESS program decreased from the projections shown in last year's budget due to more patrons receiving materials electronically.

<b>Program Recommendations:</b>	This budget recommends the following changes: (Dollar Amounts in Thousands)
---------------------------------	---

<p><b>GENERAL FUND</b></p> <p><b>State Library</b></p> <p>\$ 112 — to continue current program.</p> <p>32 — PRR — Improving Our Schools. This Program Revision provides administrative support to implement public library summer reading programs. See the Program Revision following the Basic Education program for additional information.</p> <hr/> <p>\$ 144 <i>Appropriation Increase</i></p> <p><b>Improvement of Library Services</b></p> <p>\$ 15,000 — PRR — Investing in Pennsylvania's Public Libraries. This Program Revision provides resources to enable local, county and district libraries to streamline operations and coordinate programs in an effort to reach new patrons and address growing needs. See the Program Revision following this program for additional information.</p> <p><b>Library Access</b></p> <p>\$ 163 — to continue current program.</p> <p>500 — PRR — Investing in Pennsylvania's Public Libraries. This Program Revision provides resources to expand the POWER library programs within the Library ACCESS program. See the Program Revision following this program for additional information.</p> <hr/> <p>\$ 663 <i>Appropriation Increase</i></p>	<p><b>School Library Catalog</b></p> <p>\$ 11 — to continue current program.</p> <p>3,600 — PRR — Investing in Pennsylvania's Public Libraries. This Program Revision provides resources to include 400 more elementary libraries, plus other school, public and college libraries in the Access Pennsylvania database. See the Program Revision following this program for additional information.</p> <hr/> <p>\$ 3,611 <i>Appropriation Increase</i></p> <p><b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND</b></p> <p><b>Local Libraries Rehabilitation and Development (EA)</b></p> <p>\$ -2,165 — nonrecurring projects.</p> <p>The Library Services for the Visually Impaired and Disabled appropriation is recommended at the current year funding level.</p>
---	--



## Program: Library Services (continued)



Total Commonwealth support for public libraries has increased by \$47 million from \$29.4 million in 1994-95 to \$76.4 million in 2000-01, an increase of 160 percent.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
State Library .....	\$ 3,910	\$ 4,068	\$ 4,212	\$ 4,328	\$ 4,414	\$ 4,503	\$ 4,593
Improvement of Library Services .....	30,289	47,289	62,289	62,289	62,289	62,289	62,289
Library Services for the Visually Impaired and Disabled .....	2,452	2,879	2,879	2,879	2,879	2,879	2,879
Library Access .....	6,350	6,508	7,171	6,671	6,671	7,171	6,671
School Library Catalog .....	420	431	4,042	2,442	1,442	1,442	1,442
Technology for Public Libraries .....	7,000	0	0	0	0	0	0
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 50,421</b>	<b>\$ 61,175</b>	<b>\$ 80,593</b>	<b>\$ 78,609</b>	<b>\$ 77,695</b>	<b>\$ 78,284</b>	<b>\$ 77,874</b>
<b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</b>							
Local Libraries Rehabilitation and Development (EA) .....	\$ 1,754	\$ 4,200	\$ 2,035	\$ 2,073	\$ 2,262	\$ 2,451	\$ 2,665

## Program Revision: Investing in Pennsylvania's Public Libraries

Public libraries are integral partners in ensuring the cultural and economic well being of their communities. The libraries in Pennsylvania provide citizens and businesses access to a comprehensive collection of recorded knowledge, ideas and information.

The public library system currently receives financial support from both the Commonwealth and local governments. This Program Revision continues Pennsylvania's historic commitment to public libraries and proposes additional changes to the funding of public libraries. This proposal provides incentives for local, county and district libraries to streamline operations, coordinate programs and collaborate with community service agencies to reach new patrons and address growing needs. In addition, this proposal will enhance and expand the Access Pennsylvania database and will provide increased support to the Pennsylvania On-line World of Electronic Resources (POWER) Library.

### Restructuring Public Library Funding

State support of public libraries is based on a formula that distributes funding in seven different categories. In 1999-00, the Basic Aid category was renamed Quality Libraries Aid and funds were provided to increase the per capita aid payment that offsets general operating costs. The Incentive Aid category was renamed Incentive for Excellence and increased funding was provided to match local per capita expenditures.

This Program Revision continues this effort and provides \$5 million to redesign the County Coordination Aid category to encourage libraries to restructure at the county level. Funding in this category will provide State dollars to match county support of libraries and library systems that provide cooperative and coordinated services. Libraries must continue to show effective, coordinated services to remain eligible for this aid category. With this proposal, the State will pay a percentage match to county libraries and systems based on the contribution of county governments and the class of the county. Smaller counties will receive more in matching funds. The State will prorate its match in order to distribute the full amount of funding within the category. This proposal will encourage better coordination of technology purchases and training; greater efficiency through coordinated programming, services, shared resources, consolidated purchasing and administrative functions; a planned approach to the growth of new libraries; and increased county support for libraries.

Currently, there are 28 libraries designated as District Library Centers that provide a framework for public library service and a leadership network of libraries Statewide. These centers receive a per capita payment to help defray a portion of the cost of providing and/or administering services. This Program Revision recommends \$3 million to increase the per capita rate from \$.70 to \$1.00. Every district library center will benefit from this increase.

The emphasis on cooperation and coordination will extend to the Quality Libraries Aid and the Incentive for Excellence categories that were redesigned in 1999-00. To be eligible for continued funding in these categories, local libraries must agree to participate in coordinated county and/or district level projects. This Program Revision provides \$3 million to increase the per capita rate for those libraries eligible for Quality Libraries Aid from \$1.33 to approximately \$1.55. Libraries eligible for the Incentive for Excellence will receive an additional \$4 million to increase the incentive match from \$.66 to approximately \$.80 for each dollar of local funds expended between \$5.00 and \$7.50 per capita. This category of aid funds is intended to stimulate local support and, in particular, local government support to libraries.

### ACCESS Pennsylvania

The Access Pennsylvania database is a Statewide library catalog and on-line database of the 1,695 libraries in Pennsylvania that share more than 30 million bibliographic records. This Program Revision recommends \$3.6 million to enable the State Library to add 400 elementary school libraries, plus other school, public and college libraries, to this database. As a result of this investment to the on-line catalog program, Pennsylvania will have the largest library database in the nation providing unprecedented access to information anywhere in the Commonwealth.

Finally, this proposal provides an additional \$500,000 for the Pennsylvania On-line World of Electronic Resources (POWER) Library that includes more than 1,900 elementary, secondary and public libraries. The POWER Library provides Pennsylvanians access to more than 2,000 periodicals, a major encyclopedia, a child-based reference database and 800,000 current and historical news photographs.

The public library system is a valuable resource of information, education and recreation. This Program Revision demonstrates Pennsylvania's continued commitment to public libraries, recognizes the importance of this resource to the Commonwealth and enhances public library services as we enter the 21st century.



## Program Revision: Investing in Pennsylvania's Public Library

Program Measures:	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Per capita Quality Libraries Aid</b>							
Current .....	\$0.60	\$1.33	\$1.37	\$1.41	\$1.45	\$1.50	\$1.54
Program Revision .....	0	0	\$1.55	\$1.75	\$1.95	\$2.10	\$2.40
<b>Incentive to leverage local support — State amount per local dollar</b>							
Current .....	\$0.10	\$0.66	\$0.68	\$0.70	\$0.72	\$0.74	\$0.77
Program Revision .....	0	0	\$0.80	\$0.91	\$1.04	\$1.11	\$1.40
<b>Citizens served by Access Pennsylvania database</b>							
Current .....	709,000	741,000	776,000	816,000	862,000	899,000	1,000,000
Program Revision .....	0	0	1,000,000	1,300,000	1,900,000	2,400,000	2,900,000

<b>Program Revision Recommendations:</b>	This budget recommends the following changes: (Dollar Amounts in Thousands)
--	---

\$ 15,000	<b>Improvement of Library Services</b> — to provide enhanced support for local library operating budgets and to create stronger incentives for local governments to invest in their public libraries.	\$ 500	<b>Library Access</b> — to provide increased support for the POWER Library programs within the Library ACCESS program.
\$ 3,600	<b>School Library Catalog</b> — to increase the number of elementary, public and college libraries included in the Access Pennsylvania database.	\$ 19,100	<i>Program Revision Total</i>

<b>Recommended Program Revision Costs by Appropriation:</b>	(Dollar Amounts in Thousands)
---	-------------------------------

GENERAL FUND:	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
Improvement of Library Services .....	\$ 0	\$ 0	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
School Library Catalog .....	0	0	3,600	2,000	1,000	1,000	1,000
Library Access .....	0	0	500	0	0	500	0
<b>GENERAL FUND TOTAL .....</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 19,100</b>	<b>\$ 17,000</b>	<b>\$ 16,000</b>	<b>\$ 16,500</b>	<b>\$ 16,000</b>



*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 225 degree-granting institutions, which include the State System of Higher Education, the community colleges, the four State-related universities, the Commonwealth's independent universities and colleges, the State-owned Thaddeus Stevens College of Technology and other 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 Pennsylvania Higher Education Assistance Agency.

**Table 1**  
Full-Time Equivalent Enrollments at State-Supported Universities and Colleges, Actual and Projected

Institutional Category	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
State System of Higher Education .....	88,160	88,802	90,287	91,300	92,054	92,848	93,692
Community Colleges .....	64,808	66,582	67,252	68,072	69,075	70,047	70,881
State-related Universities .....	128,967	129,774	130,504	131,212	131,953	132,541	133,074
Non-State related Universities & Colleges...	35,034	35,570	36,523	37,017	37,294	37,329	37,364
<b>TOTAL .....</b>	<b>316,969</b>	<b>320,728</b>	<b>324,566</b>	<b>327,601</b>	<b>330,376</b>	<b>332,765</b>	<b>335,011</b>

### **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 that considers the enrollment and programs of the school and the cost of operating and maintaining the individual campuses. While all the universities provide a broad liberal arts curriculum, each has a specific mission — health sciences, business, technologies, etc. All of the universities provide teacher preparation programs. Also, 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 that 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 colleges. The colleges offer two-year liberal arts curricula for transfer to other institutions and two-year programs in technologies or other vocational areas that culminate in an associate degree or certificate. They also offer non-credit programs such as public safety, or for the improvement of 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 their educational programs. 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 the medical and legal fields.

### **Program Element: Enrollment and Degree Programs**

In 1998, nearly 71 percent of high school graduates planned to attend postsecondary institutions. Also, participation rates of older students and part-time students continue to increase. Full-time equivalent enrollment in State-supported universities and colleges is expected to increase by approximately one percent annually over the next six years, although the increase varies among institutional category.

The Pennsylvania Higher Education Assistance Agency and the Department of Education are 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.



## Program: Higher Education (continued)

**Table 2**  
**State-Supported Universities and Colleges FTE Enrollments by Subject Area**

Subject Area	Number and Percent of Total	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	Percent Change
		Actual	Projected	Projected	Projected	Projected	Projected	Projected	
Agricultural and Natural Resources	# %	4,065 1.28%	4,095 1.28%	4,120 1.27%	4,137 1.26%	4,153 1.26%	4,157 1.25%	4,161 1.24%	2.36%
Arts and Letters	# %	55,722 17.58%	56,800 17.71%	57,514 17.72%	58,059 17.72%	58,600 17.74%	59,072 17.75%	59,514 17.76%	6.81%
Business, Management and Data Processing	# %	51,571 16.27%	52,441 16.35%	53,114 16.36%	53,804 16.42%	54,345 16.45%	54,790 16.47%	55,209 16.48%	7.05%
Communications and Related Technologies	# %	10,010 3.16%	10,081 3.14%	10,253 3.16%	10,411 3.18%	10,585 3.20%	10,722 3.22%	10,859 3.24%	8.48%
Computer and Information Sciences	# %	9,481 2.99%	9,963 3.11%	10,391 3.20%	10,768 3.29%	11,110 3.36%	11,314 3.40%	11,436 3.41%	20.62%
Education	# %	40,954 12.92%	41,062 12.80%	41,453 12.77%	41,794 12.76%	42,041 12.73%	42,307 12.71%	42,582 12.71%	3.98%
Engineering, Architecture and Environmental Design	# %	16,188 5.11%	16,060 5.01%	16,206 4.99%	16,232 4.95%	16,270 4.92%	16,292 4.90%	16,313 4.87%	0.77%
Engineering Technologies and Related Technologies	# %	7,812 2.46%	7,972 2.49%	8,046 2.48%	8,133 2.48%	8,232 2.49%	8,361 2.51%	8,473 2.53%	8.46%
Health Professions, Health Sciences and Biological Sciences	# %	41,016 12.94%	41,240 12.86%	41,586 12.81%	41,882 12.78%	42,186 12.77%	42,438 12.75%	42,667 12.74%	4.03%
Home Economics, Human Services and Public Affairs	# %	19,466 6.14%	19,616 6.12%	19,768 6.09%	19,838 6.06%	19,927 6.03%	20,026 6.02%	20,134 6.01%	3.43%
Industrial, Repair, Construction and Transport Technologies	# %	2,592 0.82%	2,767 0.86%	2,886 0.89%	2,931 0.89%	2,965 0.90%	3,056 0.92%	3,149 0.94%	21.49%
Law	# %	4,214 1.33%	4,231 1.32%	4,244 1.31%	4,260 1.30%	4,274 1.29%	4,286 1.29%	4,289 1.28%	1.78%
Physical Sciences, Mathematics and Related Technologies	# %	13,512 4.26%	13,637 4.25%	13,803 4.25%	13,846 4.23%	13,903 4.21%	13,921 4.18%	13,955 4.17%	3.28%
Social Sciences, Psychology, Area Studies and Foreign Languages	# %	34,875 11.00%	35,210 10.98%	35,581 10.96%	35,856 10.95%	36,092 10.92%	36,294 10.91%	36,495 10.89%	4.65%
Multi-Interdisciplinary Studies/ Military Sciences	# %	5,491 1.73%	5,553 1.73%	5,601 1.73%	5,650 1.72%	5,693 1.72%	5,729 1.72%	5,775 1.72%	5.17%
<b>TOTAL</b>		<b>316,969</b>	<b>320,728</b>	<b>324,566</b>	<b>327,601</b>	<b>330,376</b>	<b>332,765</b>	<b>335,011</b>	<b>5.69%</b>



## 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 projections of enrollment by subject area in the State-supported universities and colleges from 1998-99 through 2004-05. A review of fields in which degrees are awarded shows the greatest number of degrees are in Business (including Marketing), Education, Engineering, the Health Sciences (including

Medicine and Nursing), the Social Sciences, and the Arts and Letters programs.

The State-supported universities and colleges in Pennsylvania graduate over 70,000 students annually with degrees ranging from the two-year associate degree to doctoral and professional degrees. Pennsylvania degree graduates from both State-supported and private universities and colleges total over 110,000 annually.

**Table 3**  
Higher Education Degrees Awarded by State-Supported  
and Private Universities and Colleges,  
Actual and Projected

Institutional Category	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
State System of Higher Education .....	17,440	17,711	18,007	18,173	18,565	18,767	18,961
Community Colleges .....	10,825	11,085	11,279	11,403	11,573	11,699	11,817
State-related Universities .....	32,381	32,718	33,009	33,392	33,713	34,002	34,284
Non-State related Universities & Colleges...	10,359	10,350	10,381	10,529	10,789	11,099	11,277
Private Universities & Colleges.....	39,425	40,246	41,067	41,888	42,709	43,530	44,351
<b>TOTAL .....</b>	<b>110,430</b>	<b>112,110</b>	<b>113,743</b>	<b>115,385</b>	<b>117,349</b>	<b>119,097</b>	<b>120,690</b>

### **Program Element: Support for Educationally Disadvantaged and Minority Students**

Under Act 101 of 1971, 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.

In 1996, the Department of Education and the Federal Office of Civil Rights embarked on a joint venture designed to assess and address the challenges in providing higher education opportunities for African American students in Pennsylvania. Funding is included in this subcategory and in the capital budget to further help with the cost of recruiting and retaining minority students. Funds are also provided for an affirmative action program at the State System of Higher Education. In addition, funding for higher education scholarships for students of Cheyney and Lincoln Universities is made available through programs administered by the Pennsylvania Higher Education Assistance Agency.

### **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 other areas. 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 that 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's plan for equal education opportunity. The agency also provides certificates to those seeking teaching certification in Pennsylvania.



## Program: Higher Education (continued)

Program Measures:	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Thaddeus Stevens College of Technology enrollment .....	500	505	525	550	575	600	625
Office of Civil Rights reviews of institutional plans .....	16	16	16	16	16	16	16
Minority enrollments at public institutions .....	50,639	52,688	54,100	55,800	56,900	58,000	59,300
Disadvantaged students served by specialized programs .....	13,922	14,000	14,000	14,000	14,000	14,000	14,000
Programs evaluated .....	39	20	20	20	260	260	260
Teacher certifications .....	41,073	42,000	42,000	42,000	42,000	42,000	42,000

Programs evaluated will be relatively minimal in the years 1998-99 through 2001-02. A transition to new general standards for teacher preparation programs will occur during this period.

Teacher certifications increased from projections shown in last year's budget due to the issuance of more emergency certifications than anticipated.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p><b>GENERAL FUND:</b></p> <p><b>Thaddeus Stevens College of Technology</b>                      — nonrecurring vocational-technical equipment. \$ -750                      — to continue current program. 251</p> <p><b>Appropriation Decrease</b>                      \$ -499</p> <p><b>Community Colleges</b>                      — to provide an increase in State support. \$ 8,571</p> <p><b>Regional Community Colleges Services</b>                      — nonrecurring projects. \$ -400</p> <p><b>Community Colleges - Workforce Development</b>                      — Initiative — Workforce Development Challenge Grants. To provide workforce development challenge grants to community colleges that partner with industry consortia to develop and improve employe skill sets in order to meet current and future needs of key industries. \$ 2,000</p> <p><b>Higher Education for the Disadvantaged</b>                      — to continue current program. \$ 221</p> <p><b>Higher Education Technology Grants</b>                      — PRR — Improving Our Schools. This Program Revision provides competitive grants focused on innovative approaches to community-based networking and for curriculum development for information sciences and technology programs. See the Program Revision following the Basic Education program for additional information. \$ 10,000                      — Link to Learn funding for higher education institutions in the 1999-00 budget. -10,000</p> <p><b>Appropriation Unchanged</b>                      \$ 0</p> <p><b>Higher Education Graduation Incentive</b>                      — Initiative — Higher Education Graduation Incentive. To provide monetary incentives to encourage public and private higher education institutions to offer the opportunity for undergraduate students to complete degrees within four years. \$ 6,000</p>	<p><b>Academy for Teaching</b>                      — nonrecurring project. \$ -1,300</p> <p><b>State System of Higher Education (SSHE)</b>                      — to provide an increase in State support. \$ 13,180</p> <p><b>Pennsylvania State University</b>                      — to provide an increase in State support. \$ 7,815</p> <p><b>University of Pittsburgh</b>                      — to provide an increase in State support. \$ 4,191</p> <p><b>Temple University</b>                      — to provide an increase in State support. \$ 4,233</p> <p><b>Lincoln University</b>                      — to provide an increase in State support. \$ 584</p> <p><b>Non-State-related Universities and Colleges</b>                      — to provide an increase in State support for Drexel University and Veterinary Activities at the University of Pennsylvania; and nonrecurring projects at the Pennsylvania College of Optometry. \$ 239</p> <p><b>Non-State-related Institutions</b>                      — reduction in Berean's annual rental payment amount. \$ -3</p> <p><b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</b>  <b>State System of Higher Education - Deferred Maintenance (EA)</b>                      — to continue current program. \$ 644</p>
<p>All other appropriations are recommended at the current year funding levels.</p>	



## Program: Higher Education (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Thaddeus Stevens College of Technology ..	\$ 6,356	\$ 7,560	\$ 7,061	\$ 7,202	\$ 7,346	\$ 7,493	\$ 7,643
Community Colleges .....	166,419	171,412	179,983	179,983	179,983	179,983	179,983
Regional Community Colleges Services ....	500	400	0	0	0	0	0
Community Colleges — Workforce							
Development .....	2,000	0	2,000	2,000	2,000	2,000	2,000
Higher Education for the Disadvantaged ....	7,827	8,828	9,049	9,049	9,049	9,049	9,049
Higher Education of Blind or Deaf Students	52	52	52	52	52	52	52
Higher Education Technology Grants .....	7,000	10,000	10,000	10,000	10,000	0	0
Higher Education Graduation Incentive .....	0	0	6,000	6,000	6,000	6,000	6,000
Higher Education Equipment .....	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Academy for Teaching .....	0	1,300	0	0	0	0	0
Engineering Equipment Grants .....	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Rural Initiatives .....	1,200	1,125	1,125	1,125	1,125	1,125	1,125
Osteopathic Education .....	750	1,000	1,000	1,000	1,000	1,000	1,000
State System of Higher Education (SSHE)	426,570	443,858	457,038	452,538	452,538	452,538	452,538
Pennsylvania State University .....	299,144	314,134	321,949	318,949	318,949	318,949	318,949
University of Pittsburgh .....	158,205	167,609	171,800	168,300	168,300	168,300	168,300
Temple University .....	159,487	169,288	173,521	169,421	169,421	169,421	169,421
Lincoln University .....	11,032	11,358	11,942	11,642	11,642	11,642	11,642
Non-State-related Universities and Colleges	71,840	76,681	76,920	73,920	73,920	73,920	73,920
Non-State-related Institutions .....	1,627	1,927	1,924	1,924	1,924	1,924	1,924
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 1,327,009</b>	<b>\$ 1,393,532</b>	<b>\$ 1,438,364</b>	<b>\$ 1,420,105</b>	<b>\$ 1,420,249</b>	<b>\$ 1,410,396</b>	<b>\$ 1,410,546</b>
<b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</b>							
State System of Higher Education —							
Deferred Maintenance (EA) .....	\$ 8,110	\$ 8,642	\$ 9,286	\$ 9,968	\$ 10,819	\$ 11,752	\$ 12,771





---

# EMERGENCY MANAGEMENT AGENCY

*The mission of the Emergency Management Agency, along with the State Fire Commissioner's Office, is to support county and local governments in the areas of civil defense, disaster preparedness, planning and response to and recovery from man-made or natural disasters.*

The Pennsylvania Emergency Management Agency develops and maintains a comprehensive plan and program for the civil defense of the Commonwealth. Primarily the plan calls for the protection of life and property both prior to and in the event of natural and man-made disasters and under enemy attack. The agency, through the Office of the State Fire Commissioner, provides loans to volunteer fire, ambulance and rescue companies, and coordinates State fire services. The Emergency Management Agency also administers post-disaster aid to affected localities and citizens.



## PROGRAM REVISION

### Budgeted Amounts Include the Following Program Revisions:

Title	Appropriation	2000-01 State Funds (In thousands)
<b>Enhancing Information Technology to Better Serve Pennsylvania</b>		
	Information Systems Management.....	\$ 1,600

This Program Revision provides resources for base stations and mobile and portable radio equipment for the Statewide Public Safety Radio System. This is part of the \$174.3 million Enhancing Information Technology to Better Serve Pennsylvania Program Revision. Please see the Program Revision following the Executive Direction program in the Executive Offices for additional information on this Program Revision.

### **Protecting Public Safety Through Enforcement, Prevention and Rehabilitation**

Fire Company Grants.....	\$ 15,000
--------------------------	-----------

This Program Revision provides grants to volunteer fire companies to fund equipment purchases, training, research studies and loan repayments. This is part of the \$39.1 million Protecting Public Safety Through Enforcement, Prevention and Rehabilitation Program Revision. Please see the Program Revision following the Institutionalization of Offenders program in the Department of Corrections for additional information on this Program Revision.

<b>Department Total.....</b>	<b><u>\$ 16,600</u></b>
------------------------------	-------------------------



# Emergency Management Agency

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

1998-99                      1999-00                      2000-01  
ACTUAL                      AVAILABLE                      BUDGET

### GENERAL FUND:

#### General Government:

General Government Operations.....	\$ 5,411	\$ 5,669 <sup>a</sup>	\$ 6,189
(F)Civil Preparedness.....	2,223	3,385	3,417
(F)Flash Flood Project - Warning System.....	88	105	105
(F)Hazardous Materials Planning and Training.....	198	350	350
(F)Chemical Preparedness.....	0	100	100
(A)Nuclear Facility.....	80	80	80
Information Systems Management.....	0	802 <sup>b</sup>	2,720
Subtotal.....	\$ 8,000	\$ 10,491	\$ 12,961
State Fire Commissioner.....	1,993	1,736	1,982
(F)Fire Prevention.....	66	200	250
(A)Fire Academy Fees.....	6	15	15
(A)Arson Fines.....	1	2	2
Subtotal.....	\$ 2,066	\$ 1,953	\$ 2,249
Subtotal - State Funds.....	\$ 7,404	\$ 8,207	\$ 10,891
Subtotal - Federal Funds.....	2,575	4,140	4,222
Subtotal - Augmentations.....	87	97	97
Total - General Government.....	\$ 10,066	\$ 12,444	\$ 15,210

#### Grants and Subsidies:

(F)January 1996 Flood Disaster.....	\$ 8,245	\$ 9,338	\$ 2,000
(F)Hazard Mitigation Grants-January 1996 Flood.....	6,957	9,834	2,000
(F)January 1996 Blizzard Disaster.....	0	275	100
(F)Hazard Mitigation Grants 1994 Winter Disaster.....	4,271	5,198	1,000
(F)1994 Winter Disaster-Public Assistance.....	41	375	250
(F)June 1996 Storm Disaster.....	383	509	100
(F)June 1996 Storm Disaster-Hazard Mitigation.....	81	69	50
(F)July 1996 Storm Disaster - Public Assistance.....	3,017	3,696	500
(F)July 1996 Storm Disaster-Hazard Mitigation.....	1,136	1,539	250
(F)September 1996 Storm Disaster.....	842	586	300
(F)September 1996 Storm Disaster - Hazard Mitigation.....	83	530	500
(F)November 1996 Storm Disaster.....	238	153	50
(F)November 1996 Floods-Hazard Mitigation.....	79	112	50
May-June 1998 Storm Disaster - Public Assistance (EA).....	880	0	0
(F)May-June 1998 Storm Disaster - Public Assistance.....	2,078	118	100
(F)May-June 1998 Storm Disaster - Hazard Mitigation.....	0	468	250
December 1998 Drought Disaster Relief (EA).....	500	0	0
1999 Drought Disaster Relief (EA).....	0	500	0
1999 Disasters-Public Assistance and Hazard Mitigation(6/01).....	0	10,000	0
August 1999 Flood Disaster Relief (EA).....	0	100	0
(F)August 1999 Flood Disaster- Hazard Mitigation.....	0	1,350	555
(F)August 1999 Flood Disaster- Public Assistance.....	0	1,000	1,000
September 1999 Tropical Storm Disaster Relief(EA).....	0	1,000	0
September 1999 Tropical Storm Disaster-Public Assistance(EA).....	0	1,000	0
(F)September 1999 Tropical Storm Disaster- Public Assistance.....	0	15,000	200
(F)September 1999 Tropical Storm Disaster- Hazard Mitigation.....	0	4,500	500
Firefighters' Memorial Flag.....	10	10	10
Fire Company Grants.....	0	0	15,000
Urban Search and Rescue.....	50	50	100
Transfer to Volunteer Company Loan Fund.....	20,000	0	0
Subtotal - State Funds.....	\$ 21,440	\$ 12,660	\$ 15,110
Subtotal - Federal Funds.....	27,451	54,650	9,755
Total - Grants and Subsidies.....	\$ 48,891	\$ 67,310	\$ 24,865

# Emergency Management Agency

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99	1999-00	2000-01
	ACTUAL	AVAILABLE	BUDGET
STATE FUNDS.....	\$ 28,844	\$ 20,867	\$ 26,001
FEDERAL FUNDS.....	30,026	58,790	13,977
AUGMENTATIONS.....	87	97	97
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 58,957</b>	<b>\$ 79,754</b>	<b>\$ 40,075</b>
 <b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Emergency Management and Disaster Assistance.....	\$ 1,969	\$ 2,139	\$ 2,218
Radiological Emergency Response Planning.....	367	576	600
Radiation Emergency Response Fund.....	538	500	500
Radiation Transportation Emergency Response Fund.....	36	13	50
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 2,910</b>	<b>\$ 3,228</b>	<b>\$ 3,368</b>
 <b>DISASTER RELIEF FUND:</b>			
January 1996 Disaster Bond Proceeds - Mitigation (EA).....	\$ 0	\$ 1,000	\$ 600
January 1996 Disaster Bond Proceeds - Flood (EA).....	0	0	600
1996 Disaster Areas-Hazard Mitigation (EA).....	349	771	100
<b>DISASTER RELIEF FUND TOTAL.....</b>	<b>\$ 349</b>	<b>\$ 1,771</b>	<b>\$ 1,300</b>
 <b>HAZARDOUS MATERIAL RESPONSE FUND:</b>			
General Operations.....	\$ 124	\$ 117	\$ 117
Hazardous Materials Response Team.....	88	117	117
Grants to Counties.....	933	824	824
Public and Facilities Owners Education.....	81	117	117
<b>HAZARDOUS MATERIAL RESPONSE FUND TOTAL.....</b>	<b>\$ 1,226</b>	<b>\$ 1,175</b>	<b>\$ 1,175</b>
 <b>VOLUNTEER COMPANIES LOAN FUND:</b>			
Volunteer Company Loans.....	\$ 22,468	\$ 21,000	\$ 20,000
Volunteer Ambulance Service.....	1,670	0	0
Volunteer Rescue Squads.....	230	0	0
<b>VOLUNTEER COMPANIES LOAN FUND TOTAL.....</b>	<b>\$ 24,368</b>	<b>\$ 21,000</b>	<b>\$ 20,000</b>
 <b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 28,844	\$ 20,867	\$ 26,001
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	30,026	58,790	13,977
AUGMENTATIONS.....	87	97	97
OTHER FUNDS.....	28,853	27,174	25,843
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 87,810</b>	<b>\$ 106,928</b>	<b>\$ 65,918</b>

<sup>a</sup> Actually appropriated as \$6,471,000. Amount shown is net of transfer to Information Systems Management and includes \$677,000 actually appropriated as a part of the Office of Administration Technology and Year 2000 Investment appropriation.

<sup>b</sup> Actually appropriated as part of the \$6,471,000 for General Government Operations.



# Emergency Management Agency

## Program Funding Summary

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>EMERGENCY MANAGEMENT</b>							
GENERAL FUND.....	\$ 6,841	\$ 19,121	\$ 9,009	\$ 7,123	\$ 7,260	\$ 7,405	\$ 7,547
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	29,960	58,590	13,727	8,457	4,282	3,972	3,972
OTHER FUNDS.....	4,565	6,254	5,923	5,975	6,028	6,082	6,137
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 41,366</b>	<b>\$ 83,965</b>	<b>\$ 28,659</b>	<b>\$ 21,555</b>	<b>\$ 17,570</b>	<b>\$ 17,459</b>	<b>\$ 17,656</b>
<b>FIRE PREVENTION AND SAFETY</b>							
GENERAL FUND.....	\$ 22,003	\$ 1,746	\$ 16,992	\$ 1,948	\$ 1,987	\$ 2,026	\$ 2,067
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	66	200	250	250	250	250	250
OTHER FUNDS.....	24,375	21,017	20,017	20,017	20,017	20,017	20,017
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 46,444</b>	<b>\$ 22,963</b>	<b>\$ 37,259</b>	<b>\$ 22,215</b>	<b>\$ 22,254</b>	<b>\$ 22,293</b>	<b>\$ 22,334</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 28,844	\$ 20,867	\$ 26,001	\$ 9,071	\$ 9,247	\$ 9,431	\$ 9,614
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	30,026	58,790	13,977	8,707	4,532	4,222	4,222
OTHER FUNDS.....	28,940	27,271	25,940	25,992	26,045	26,099	26,154
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 87,810</b>	<b>\$ 106,928</b>	<b>\$ 65,918</b>	<b>\$ 43,770</b>	<b>\$ 39,824</b>	<b>\$ 39,752</b>	<b>\$ 39,990</b>



# Emergency Management Agency

*PROGRAM OBJECTIVE: To develop and maintain a Statewide emergency force capable of immediate and effective action in the event of natural, technological or other man-made disasters and rapid organizational expansion to assure civil preparedness for war or resource based emergencies.*

## Program: Emergency Management

The Pennsylvania Emergency Management Agency (PEMA) has developed an organization designed on the National Governors' Association model of comprehensive emergency management. A multi-agency training program develops and maintains a Statewide emergency force composed of State, county and local units jointly capable of: prompt and effective action to protect life and property; alleviating human suffering and hardship resulting from natural and man-made disasters; and expanding rapidly when required in the event of war or other resource based emergencies.

Act 1 of Special Session 2 of 1996 increased the amount of unused appropriated funds available for the Governor to transfer for disaster relief from \$5 million to \$10 million in any one year.

The agency's mission includes programs concerning prison/community safety, 911 program implementation and maintenance, Statewide chemical and nuclear power safety, and hazardous materials transportation.

The Commonwealth's civil preparedness and emergency response capability is provided through the maintenance of a Statewide system, involving 49 counties, to facilitate hazard assessment, emergency planning, warning, and emergency communications. A network for radiation monitoring is provided. To facilitate rapid deployment of resources to protect life and property, an emergency response and command center has been developed. Training and education are provided to county and local entities on an ongoing basis to maintain their civil preparedness and emergency response readiness.

Counties are required to have an approved emergency program plan consisting of: a statement of accomplishments, required financial needs, hazard vulnerability and goals indicating projected activity. The Federal Emergency Management Agency (FEMA) requires annual review and update of emergency operations plans, programs and periodic exercises.

Activities required by the Environmental Protection Agency under the Federal Superfund Amendments and Reauthorization Act (SARA Title III) and the Federal Clean Air Act amendments include upgrading chemical emergency preparedness facility plans. Responsibilities for preparedness involve state and county governments and chemical manufacturers. Agency activities also required by SARA Title III are planning and training activities for compliance with the Hazardous Materials Transportation Uniform Safety Act.

Another area included in this program is that of readiness training at the county and local level as measured through a comprehensive exercise program. This program also includes readiness training at the county and local level accomplished through a comprehensive exercise program. A relatively low-cost, yet extensive and integrated training and testing program, it enhances and measures the ability of county and local forces to provide a comprehensive and coordinated first line of response to emergency conditions.

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.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
County/Local Emergency plans developed ....	3,464	3,484	3,509	3,534	3,542	3,542	3,542
Emergency management training recipients ..	3,025	3,300	3,300	3,300	3,300	4,000	4,200
Emergency management grants .....	290	288	288	288	288	288	288
Emergency exercise participants .....	529,237	425,000	425,000	425,000	425,000	425,000	425,000
Responses to Statewide emergency incidents	3,094	3,600	3,625	3,780	3,940	4,095	4,050
Federal disaster funds disbursed (in thousands) .....	\$27,451	\$54,650	\$9,755	\$4,485	\$310	\$0	\$0

Emergency Management training recipients have decreased from those projected in last year's budget because the course offerings were less than envisioned.

The number of emergency exercise participants have decreased from those projected in last year's budget because individual school districts' activities were less than what was planned for the year.

Disbursement of Federal disaster funds have increased from the projection in last year's budget because of three new Presidential Declarations of Major Disaster in fourteen (14) counties since September 1999. This will also result in additional fluctuations in future year projections.



# Emergency Management Agency

## Program: Emergency Management (continued)

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$	350	General Government Operations — to continue current program.	\$	-500	1999 Drought Disaster Relief (EA) — nonrecurring State funds for disaster relief.
	90	— to equip an emergency communications truck.			
	80	— for an Integrated Flood Observation Warning System.			
\$	520	<i>Appropriation Increase</i>			
\$	1,600	Information Systems Management — PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides resources for base stations and mobile and portable radio equipment for agency participation in the Statewide Public Safety Radio System. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.	\$	-100	August 1999 Flood Disaster Relief (EA) — nonrecurring State funds for disaster relief.
		250 — Initiative — Technology Enhancements. To enhance technology at the Emergency Operations Center so that the most accurate and up-to-date analysis is available during emergency situations.		-1,000	September 1999 Tropical Storm Disaster Relief — nonrecurring State funds for disaster relief.
	-544	— nonrecurring information technology equipment costs.		-1,000	September 1999 Tropical Storm Disaster- Public Assistance — nonrecurring State match for Federal disaster funds.
	412	— to continue current program.			
	200	— for video conferencing equipment.			
\$	1,918	<i>Appropriation Increase</i>			

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 5,411	\$ 5,669	\$ 6,189	\$ 6,313	\$ 6,439	\$ 6,568	\$ 6,699
Information Systems Management .....	0	802	2,720	710	721	737	748
May-June 1998 Storm Disaster —							
Public Assistance (EA) .....	880	0	0	0	0	0	0
December 1998 Drought Disaster Relief (EA) .....	500	0	0	0	0	0	0
1999 Drought Disaster Relief (EA) .....	0	500	0	0	0	0	0
1999 Disasters-Public Assistance and Hazard Mitigation(6/01) .....	0	10,000	0	0	0	0	0
August 1999 Flood Disaster Relief (EA) .....	0	100	0	0	0	0	0
September 1999 Tropical Storm Disaster Relief (EA) .....	0	1,000	0	0	0	0	0
September 1999 Tropical Storm Disaster — Public Assistance (EA) .....	0	1,000	0	0	0	0	0
Urban Search and Rescue .....	50	50	100	100	100	100	100
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 6,841</b>	<b>\$ 19,121</b>	<b>\$ 9,009</b>	<b>\$ 7,123</b>	<b>\$ 7,260</b>	<b>\$ 7,405</b>	<b>\$ 7,547</b>



# 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, the administration and operation of the Volunteer Loan Assistance Program, and the administration and operation of the State Fire Academy that provides training classes to paid and volunteer fire 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 foundation 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; offers 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 as the designated 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 by offering low-interest loans (two percent per annum) for establishing or modernizing facilities to house fire fighting apparatus, purchasing new apparatus or equipment for fire fighting, communications and accessory equipment. Priority is given to replacement of outmoded or unsafe equipment and the purchase of additional equipment to meet unusual demand. Under this program, loans of \$15,000 or less are limited to five years, loans between \$15,001 and \$99,000 are limited to 10 years, and loans between \$99,001 up to the maximum of \$200,000 are limited to 15 years. Funding for the loan program is reflected in the financial statement for the Volunteer Companies Loan Fund included in the Special Funds Appendix.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Local fire training graduates .....	49,850	60,000	60,000	60,000	60,000	60,000	60,000
State Fire Academy graduates .....	4,750	4,500	6,700	6,700	6,700	6,700	6,700
Volunteer loans granted (in thousands) .....	\$22,427	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000

State Fire Academy graduates reflects a decrease in projected student numbers from those shown in last year's budget based on latest estimates. Student enrollment during 1999-00 will remain low due to live-burn classes being cancelled during the declared drought emergency.



# Emergency Management Agency

## Program: Fire Prevention and Safety (continued)

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	<b>State Fire Commissioner</b>	
\$ 59	— to continue current program.	
105	— for breathing apparatus and infrared equipment.	
82	— for firefighter certification exams.	
<u>\$ 246</u>	<i>Appropriation Increase</i>	

\$ 15,000	<b>Fire Company Grants</b>
	— PRR — Protecting Public Safety Through Enforcement, Prevention and Rehabilitation. This Program Revision provides one-time grants for equipment, training, research studies and loan repayments to volunteer fire companies in the Commonwealth. See the Program Revision following the Institutionalization of Offenders program in the Department of Corrections for additional information.

Firefighters' Memorial Flag is continued at the current level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
State Fire Commissioner .....	\$ 1,993	\$ 1,736	\$ 1,982	\$ 1,938	\$ 1,977	\$ 2,016	\$ 2,057
Firefighters' Memorial Flag .....	10	10	10	10	10	10	10
Fire Company Grants .....	0	0	15,000	0	0	0	0
Transfer to Volunteer Company Loan Fund	20,000	0	0	0	0	0	0
<b>TOTAL GENERAL FUND .....</b>	<u><u>\$ 22,003</u></u>	<u><u>\$ 1,746</u></u>	<u><u>\$ 16,992</u></u>	<u><u>\$ 1,948</u></u>	<u><u>\$ 1,987</u></u>	<u><u>\$ 2,026</u></u>	<u><u>\$ 2,067</u></u>





---

# DEPARTMENT OF ENVIRONMENTAL PROTECTION

*The mission of the Department of Environmental Protection is to protect Pennsylvania's air, land and water from pollution and to provide for the health and safety of its citizens through a cleaner environment. The department will work as partners with individuals, organizations, governments and businesses to prevent pollution and restore our natural resources.*

The department's presentation includes the Citizens Advisory Council, the Environmental Hearing Board, the Environmental Quality Board, the State Board for Certification of Sewage Enforcement Officers and the State Board for Certification of Sewage Treatment and Waterworks Operators.



## PROGRAM REVISION

### Budgeted Amounts Include the Following Program Revisions:

Title	Appropriation	2000-01 State Funds (in thousands)
<b>Enhancing Information Technology to Better Serve Pennsylvania</b>		
	Environmental Protection Operations.....	\$ 1,051

This Program Revision provides resources for base stations and mobile and portable radio equipment for the Statewide Public Safety Radio System. This is part of the \$174.3 million Enhancing Information Technology to Better Serve Pennsylvania Program Revision. Please see the Program Revision following the Executive Direction program in the Executive Offices for additional information on this Program Revision.

#### Vision for the 21st Century Environment

#### GENERAL FUND

Environmental Protection Operations.....	\$ 741
Environmental Program Management.....	155
Office of Pollution Prevention and Compliance Assistance.....	<u>206</u>
Subtotal.....	\$ 1,102

#### ENVIRONMENTAL STEWARDSHIP FUND

Oil and Gas Well Plugging.....	\$ 3,000
Abandoned Mine Reclamation and Remediation.....	10,000
Watershed Protection and Restoration Grants.....	32,046
Sewage and Drinking Water Grants.....	<u>5,500</u>
Subtotal.....	\$ 50,546
Program Revision Subtotal.....	<u>\$ 51,648</u>

This Program Revision provides resources for watershed coordinators, a centralized grant support center, watershed protection and restoration grants, sewage and drinking water grants, abandoned mine reclamation and remediation and orphan oil and gas well plugging activities as part of the Growing Greener initiative. A total of \$139.5 million in State funds is provided by this Program Revision across five departments.

Department Total.....	<u>\$ 52,699</u>
-----------------------	------------------



# Environmental Protection

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

1998-99                      1999-00                      2000-01  
ACTUAL                      AVAILABLE                      BUDGET

### GENERAL FUND:

#### General Government:

General Government Operations.....	\$ 21,357	\$ 19,237	\$ 19,891
(F)Surface Mine Conservation.....	186	250	250
(F)Surface Mine Control and Reclamation - Laboratories.....	746	900	0
(A)Reimbursement - Laboratory Services.....	2,737	10,552	10,573
(A)Reimbursement - EDP Services.....	5,127	4,827	5,370
(A)Department Services.....	69	125	267
(A)Clean Air Fund.....	50	50	0
(A)Clean Water Fund.....	57	57	0
(A)Solid Waste Abatement Fund.....	115	115	0
(A)Purchasing Card Rebate.....	7	0	0

Subtotal..... \$ 30,451                      \$ 36,113                      \$ 36,351

Environmental Hearing Board.....	1,417	1,684	1,681
(A)Reimbursement for Services.....	10	10	20

Subtotal..... \$ 1,427                      \$ 1,694                      \$ 1,701

Cleanup of Scrap Tires.....	1,960	2,000	2,000
-----------------------------	-------	-------	-------

#### Environmental Program Management..... 33,123                      40,200                      41,734

(F)Coastal Zone Management.....	1,135	1,532	1,532
(F)Construction Management Assistance Grants - Administration.....	148	250	1,400
(F)Storm Water Permitting Initiative.....	834	2,300	2,300
(F)Safe Drinking Water Act - Management.....	2,219	2,800	3,100
(F)Water Pollution Control Grants - Management.....	1,058	1,600	1,600
(F)Air Pollution Control Grants - Management.....	2,065	2,100	2,200
(F)Surface Mine Conservation.....	3,680	4,084	5,914
(F)Wetland Protection Fund.....	258	380	240
(F)Training and Education of Underground Coal Miners.....	545	550	750
(F)Radiation Regulation and Monitoring.....	63	0	0
(F)Diagnostic X-Ray Equipment Testing.....	212	330	320
(F)Water Quality Outreach Operator Training.....	79	200	200
(F)Water Quality Management Planning Grants.....	692	1,000	1,000
(F)Small Operators Assistance.....	998	1,600	1,600
(F)Wellhead Protection Fund.....	121	250	250
(F)Indoor Radon Abatement.....	374	500	500
(F)Non-Point Source Implementation.....	5,268	8,500	8,500
(F)Hydroelectric Power Conservation Fund.....	51	51	51
(F)Limestone Demonstration.....	2	20	0
(F)Survey Studies.....	921	2,500	2,500
(F)National Dam Safety.....	4	60	66
(F)National Coastal Wetlands.....	0	100	100
(F)Abandoned Mine Reclamation.....	24,224	34,000	34,000
(A)Payments - Department Services.....	255	100	100
(A)Vehicle Sales.....	1	20	0
(A)Clean Air Fund.....	1,572	1,715	995
(A)Clean Water Fund.....	130	0	85
(A)Reimbursement from Water Pollution Control Revolving Fund.....	546	320	320
(A)Safe Drinking Water Account.....	0	0	100
(A)Solid Waste Abatement.....	602	0	535
(A)Reimbursement - PENNVEST.....	92	138	138
(A)Safe Drinking Water Revolving Fund Administration.....	160	273	273
(A)Millmont Sewage Demonstration Project.....	51	0	20
(R)Sewage Facilities Program Administration - (EA).....	1,158	1,500	1,500
(R)Used Tire Pile Remediation - (EA).....	1,000	1,000	1,000

Subtotal..... \$ 83,641                      \$ 109,973                      \$ 114,923

Chesapeake Bay Agricultural Source Abatement.....	2,902	3,213	3,342
(F)Chesapeake Bay Pollution Abatement.....	4,627	6,200	6,200



# Environmental Protection

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99	1999-00	2000-01
	ACTUAL	AVAILABLE	BUDGET
Subtotal.....	\$ 7,529	\$ 9,413	\$ 9,542
<b>Office of Pollution Prevention and Compliance Assistance.....</b>	<b>1,826</b>	<b>3,114</b>	<b>3,531</b>
(F)State Energy Program.....	1,401	3,967	4,209
(F)Pollution Prevention.....	118	200	200
(F)Heavy Duty Vehicle Program.....	0	200	200
(F)Alternative Fuels.....	84	175	175
(F)National Industrial Competitiveness.....	480	933	933
(F)Commercialization Ventures.....	0	3,000	0
Subtotal.....	\$ 3,909	\$ 11,589	\$ 9,248
<b>Environmental Protection Operations.....</b>	<b>70,083</b>	<b>71,402</b>	<b>76,598</b>
(F)EPA Planning Grant - Administration.....	4,920	6,400	6,400
(F)Water Pollution Control Grants.....	2,252	2,700	2,700
(F)Air Pollution Control Grants.....	2,562	2,600	2,700
(F)Surface Mine Control and Reclamation.....	6,371	7,336	7,483
(F)Construction Management Assistance Grants.....	115	350	350
(F)Safe Drinking Water.....	1,775	1,850	1,850
(F)Oil Pollution Spills Removal.....	51	1,000	1,000
(F)Great Lakes National Program.....	50	75	75
(F)May/June 1998 Storm Disaster - Public Assistance.....	53	0	0
(F)Emergency Disaster Relief.....	113	120	120
(F)Technical Assistance to Small Systems.....	152	3,263	3,263
(F)Assistance to State Programs.....	461	2,134	2,800
(F)Local Assistance and Source Water Protection.....	842	4,493	5,500
(A)Clean Air Fund.....	1,309	2,300	2,300
(A)Clean Water Fund.....	102	190	210
(A)Vehicle Sale.....	3	50	10
(A)Reimbursement from Water Pollution Control Revolving Fund.....	743	715	740
(A)Safe Drinking Water Account.....	136	240	150
(A)Solid Waste Abatement.....	153	250	260
(A)Reimbursement - PENNVEST.....	102	288	0
(A)Reimbursement - Department Services.....	61	40	63
(A)PADOT ISTEA Program.....	160	216	180
(A)Safe Drinking Water Revolving Fund.....	574	506	520
Subtotal.....	\$ 93,143	\$ 108,518	\$ 115,272
<b>Safe Water.....</b>	<b>6,705</b>	<b>12,466</b>	<b>0</b>
<b>Black Fly Control and Research.....</b>	<b>2,997</b>	<b>4,086</b>	<b>4,734</b>
(A)County Contributions.....	903	850	850
Subtotal.....	\$ 3,900	\$ 4,936	\$ 5,584
<b>West Nile Virus Control.....</b>	<b>0</b>	<b>4,100<sup>a</sup></b>	<b>8,280</b>
Subtotal - State Funds.....	\$ 142,370	\$ 161,502	\$ 161,791
Subtotal - Federal Funds.....	72,310	112,853	114,531
Subtotal - Augmentations.....	15,827	23,947	24,079
Subtotal - Restricted Revenues.....	2,158	2,500	2,500
Total - General Government.....	\$ 232,665	\$ 300,802	\$ 302,901
<b>Grants and Subsidies:</b>			
Low Level Radioactive Waste Control.....	\$ 425	\$ 0	\$ 0
Flood Control Projects.....	1,504	1,025	1,425
Storm Water Management.....	644	1,200	1,200
Sewage Facilities Planning Grants.....	1,950	1,950	1,950
Sewage Facilities Enforcement Grants.....	4,970	5,000	5,000
Sewage Treatment Plant Operations Grants.....	44,000	46,300	48,700
Environmental Stewardship Fund.....	0	53,375	100,000
Environmental Education.....	0	2,000	0
Delaware River Master.....	87	91	95





## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99	1999-00	2000-01
	ACTUAL	AVAILABLE	BUDGET
Ohio River Basin Commission.....	13	14	16
Susquehanna River Basin Commission.....	600	600	654
Interstate Commission on the Potomac River.....	38	40	41
Delaware River Basin Commission.....	978	1,049	1,049
Ohio River Valley Water Sanitation Commission.....	154	160	165
Chesapeake Bay Commission.....	295	265	265
Local Soil and Water District Assistance.....	2,850	3,100	3,100
Interstate Mining Commission.....	21	25	25
Northeast-Midwest Institute.....	0	0	58
Appalachian States Low-Level Waste Compact.....	48	0	0
Small Water System Regionalization.....	203	400	400
Orphan Well Plugging.....	0	500	0
 Total - Grants and Subsidies.....	<u>\$ 58,780</u>	<u>\$ 117,094</u>	<u>\$ 164,143</u>
 STATE FUNDS.....	<u>\$ 201,150</u>	<u>\$ 278,596</u>	<u>\$ 325,934</u>
FEDERAL FUNDS.....	72,310	112,853	114,531
AUGMENTATIONS.....	15,827	23,947	24,079
RESTRICTED REVENUES.....	2,158	2,500	2,500
 GENERAL FUND TOTAL.....	<u>\$ 291,445</u>	<u>\$ 417,896</u>	<u>\$ 467,044</u>
 <b>ENVIRONMENTAL STEWARDSHIP FUND:</b>			
<i>General Government:</i>			
Oil and Gas Well Plugging.....	\$ 0	\$ 1,983	\$ 3,000
Abandoned Mine Reclamation and Remediation.....	0	10,100	10,000
 Total - General Government.....	<u>\$ 0</u>	<u>\$ 12,083</u>	<u>\$ 13,000</u>
<i>Grants and Subsidies:</i>			
Watershed Protection and Restoration.....	\$ 0	\$ 21,790	\$ 32,046
Sewage and Drinking Water Grants.....	0	3,696	5,500
 Total - Grants and Subsidies.....	<u>\$ 0</u>	<u>\$ 25,486</u>	<u>\$ 37,546</u>
 ENVIRONMENTAL STEWARDSHIP FUND TOTAL.....	<u>\$ 0</u>	<u>\$ 37,569</u>	<u>\$ 50,546</u>
 <b>MOTOR LICENSE FUND:</b>			
<i>General Government:</i>			
Dirt and Gravel Road.....	\$ 4,000	\$ 4,000	\$ 4,000
 MOTOR LICENSE FUND TOTAL.....	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ 4,000</u>
 <b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Safe Drinking Water Account.....	\$ 962	\$ 1,000	\$ 900
Radiation Protection Fund.....	4,079	4,982	4,829
Clean Water Fund.....	1,865	3,260	3,203
Solid Waste Abatement Fund.....	1,536	2,000	2,000
Well Plugging Account.....	245	325	333
Abandoned Well Plugging.....	163	175	175
Orphan Well Plugging.....	21	400	400
Alternative Fuels Incentive Grants.....	1,031	4,300	7,804
Industrial Land Recycling.....	0	22	22
 GENERAL FUND TOTAL.....	<u>\$ 9,902</u>	<u>\$ 16,464</u>	<u>\$ 19,666</u>



# Environmental Protection

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
<b>ACID MINE DRAINAGE ABATEMENT AND TREATMENT FUND:</b>			
Acid Mine Drainage Abatement and Treatment (F).....	\$ 3,339	\$ 4,510	\$ 4,707
<b>CLEAN AIR FUND:</b>			
Major Emission Facilities (EA).....	\$ 16,499	\$ 20,473	\$ 25,146
Mobile and Area Facilities (EA).....	6,734	8,265	8,911
<b>CLEAN AIR FUND TOTAL</b> .....	<b>\$ 23,233</b>	<b>\$ 28,738</b>	<b>\$ 34,057</b>
<b>COAL AND CLAY MINE SUBSIDENCE INSURANCE FUND:</b>			
General Operations (EA).....	\$ 1,830	\$ 2,576	\$ 2,804
Payment of Claims (EA).....	2,000	2,000	2,000
<b>COAL AND CLAY MINE SUBSIDENCE INSURANCE FUND TOTAL</b> .....	<b>\$ 3,830</b>	<b>\$ 4,576</b>	<b>\$ 4,804</b>
<b>ENERGY CONSERVATION AND ASSISTANCE FUND:</b>			
Energy Conservation.....	\$ 767	\$ 1,000	\$ 543
<b>ENVIRONMENTAL EDUCATION FUND:</b>			
General Operations (EA).....	\$ 275	\$ 519	\$ 442
<b>HAZARDOUS SITES CLEANUP FUND:</b>			
General Operations (EA).....	\$ 16,107	\$ 17,578	\$ 17,000
Hazardous Sites Cleanup (EA).....	48,762	45,000	45,000
Host Municipality Grants (EA).....	100	300	1,300
Transfer to Industrial Sites Cleanup Fund (EA).....	12,000	12,000	0
Transfer-Industrial Sites Environmental Assessment Fund(EA).....	2,000	2,000	2,000
Small Business Pollution Prevention(EA).....	2,500	2,000	0
Transfer to Small Business First Fund (EA).....	5,000	2,000	0
Transfer to Environmental Stewardship Fund.....	0	5,000	5,000
NonHazardous Material Cleanup - 1999 Flood.....	0	500	0
<b>HAZARDOUS SITES CLEANUP FUND TOTAL</b> .....	<b>\$ 86,469</b>	<b>\$ 86,378</b>	<b>\$ 70,300</b>
<b>LOW LEVEL WASTE FUND:</b>			
General Operations (EA).....	\$ 1,359	\$ 1,107	\$ 707
<b>NON-COAL SURFACE MINING CONSERVATION &amp; RECLAMATION FUND:</b>			
General Operations (EA).....	\$ 11	\$ 800	\$ 800
<b>NUTRIENT MANAGEMENT FUND:</b>			
Education, Research and Technical Assistance(EA).....	\$ 981	\$ 1,000	\$ 1,250
<b>RECYCLING FUND:</b>			
Recycling Coordinator Reimbursement (EA).....	\$ 1,430	\$ 900	\$ 900
Reimbursement for Municipal Inspection (EA).....	250	250	300
Reimburse-Host Municipality Permit Applications Review (EA).....	0	50	50
Administration of Recycling Program (EA).....	2,233	2,289	2,300
County Planning Grants (EA).....	718	1,000	1,000
Municipal Recycling Grants (EA).....	16,908	25,000	25,000
Municipal Recycling Performance Program (EA).....	14,768	20,000	20,000
Public Education/Technical Assistance (EA).....	6,216	9,110	10,000
Waste Tire Reuse (EA).....	1,000	1,000	1,000
Small Business Pollution Prevention (EA).....	1,179	0	2,000
Waste Truck Inspectors (EA).....	0	500	0
Tax Credit Transfers (EA).....	1,711	2,000	2,000
Waste Tire Pile Remediation (EA).....	1,000	1,000	1,000
Forest Lands Beautification Act.....	0	1,500	1,500
Transfer to Environmental Stewardship Fund.....	0	25,000	25,000



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99	1999-00	2000-01
	ACTUAL	AVAILABLE	BUDGET
<b>RECYCLING FUND TOTAL</b> .....	<b>\$ 47,413</b>	<b>\$ 89,599</b>	<b>\$ 92,050</b>
<b>REMINING ENVIRONMENTAL ENHANCEMENT FUND:</b>			
Remining and Reclamation Incentives (EA).....	\$ 418	\$ 1,000	\$ 1,000
<b>REMINING FINANCIAL ASSURANCE FUND:</b>			
Remining Financial Assurance (EA).....	\$ 0	\$ 25	\$ 25
<b>STORAGE TANK FUND:</b>			
General Operations (EA).....	\$ 5,510	\$ 5,874	\$ 6,757
Underground Storage Tanks (F).....	206	221	251
Leaking Underground Storage Tanks (F).....	1,928	2,500	2,500
Transfer to Storage Tank Loan Program.....	0 <sup>b</sup>	0 <sup>b</sup>	0 <sup>b</sup>
<b>STORAGE TANK FUND TOTAL</b> .....	<b>\$ 7,644</b>	<b>\$ 8,595</b>	<b>\$ 9,508</b>
<b>SURFACE MINING CONSERVATION &amp; RECLAMATION FUND:</b>			
General Operations (EA).....	\$ 2,393	\$ 2,790	\$ 2,844
<b>UNDERGROUND STORAGE TANK INDEMNIFICATION FUND:</b>			
Environmental Cleanup Program (EA).....	\$ 2,039	\$ 5,500	\$ 5,500
Pollution Prevention Program (EA).....	1,164	1,000	1,000
<b>UNDERGROUND STORAGE TANK INDEMNIFICATION FUND TOTAL</b> .....	<b>\$ 3,203</b>	<b>\$ 6,500</b>	<b>\$ 6,500</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 201,150	\$ 278,596	\$ 325,934
SPECIAL FUNDS.....	4,000	41,569	54,546
FEDERAL FUNDS.....	72,310	112,853	114,531
AUGMENTATIONS.....	15,827	23,947	24,079
RESTRICTED.....	2,158	2,500	2,500
OTHER FUNDS.....	191,237	253,601	249,203
<b>TOTAL ALL FUNDS</b> .....	<b>\$ 486,682</b>	<b>\$ 713,066</b>	<b>\$ 770,793</b>

<sup>a</sup> Includes recommended supplemental appropriation of \$4,100,000.

<sup>b</sup> Although authorized by legislation, no activity is anticipated during the year.



## Program Funding Summary

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>ENVIRONMENTAL SUPPORT SERVICES</b>							
GENERAL FUND.....	\$ 22,774	\$ 20,921	\$ 21,572	\$ 22,004	\$ 22,444	\$ 22,893	\$ 23,351
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	932	1,150	250	250	250	250	250
OTHER FUNDS.....	8,172	15,736	16,230	16,553	16,885	17,222	17,566
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 31,878</b>	<b>\$ 37,807</b>	<b>\$ 38,052</b>	<b>\$ 38,807</b>	<b>\$ 39,579</b>	<b>\$ 40,365</b>	<b>\$ 41,167</b>
<b>ENVIRONMENTAL PROTECTION AND MANAGEMENT</b>							
GENERAL FUND.....	\$ 178,376	\$ 257,675	\$ 304,362	\$ 308,263	\$ 310,927	\$ 312,984	\$ 214,021
SPECIAL FUNDS.....	4,000	41,569	54,546	54,546	54,546	54,546	4,000
FEDERAL FUNDS.....	71,378	111,703	114,281	114,283	114,284	114,286	114,287
OTHER FUNDS.....	201,050	264,312	259,552	264,362	269,018	273,769	248,609
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 454,804</b>	<b>\$ 675,259</b>	<b>\$ 732,741</b>	<b>\$ 741,454</b>	<b>\$ 748,775</b>	<b>\$ 755,585</b>	<b>\$ 580,917</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 201,150	\$ 278,596	\$ 325,934	\$ 330,267	\$ 333,371	\$ 335,877	\$ 237,372
SPECIAL FUNDS.....	4,000	41,569	54,546	54,546	54,546	54,546	4,000
FEDERAL FUNDS.....	72,310	112,853	114,531	114,533	114,534	114,536	114,537
OTHER FUNDS.....	209,222	280,048	275,782	280,915	285,903	290,991	266,175
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 486,682</b>	<b>\$ 713,066</b>	<b>\$ 770,793</b>	<b>\$ 780,261</b>	<b>\$ 788,354</b>	<b>\$ 795,950</b>	<b>\$ 622,084</b>



*PROGRAM OBJECTIVE: To provide administrative and technical support for the Commonwealth's environmental protection programs.*

## Program: Environmental Support Services

This program provides the administrative and technical systems that direct and support the department's programs. It includes the executive and administrative offices, the Office of Chief Counsel, information and data processing systems, the Citizens Advisory Council, the Environmental Quality Board and the Bureau of Laboratories. The Bureau of Laboratories provides analytical data that determines and identifies pollution levels in samples from any part of the environment. Samples from streams and lakes, solid wastes, drinking water, industrial wastes and fish are analyzed for toxic chemicals. Milk, food, water and air are examined for radiation. Water from supply systems, beaches and sewage treatment plants is examined for bacteria; and homeowners' water is examined for potability.

Federal environmental laboratory accreditation requirements are being revised to the standards for operation developed by the National Environmental Laboratory Accreditation Conference. These revisions to standards will affect laboratory operations during the 2000-01 fiscal year as each piece of data from samples will undergo additional quality assurance measures.

The Environmental Hearing Board was separated from the previous Department of Environmental Resources by Act 94 of 1988. The board's purpose is to safeguard the environmental rights of Pennsylvania's citizens through appeals of actions taken (or instituted) by the Department of Environmental Protection and/or the private sector. It is included here for presentation purposes.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Laboratory Analyses Supporting Programs</b>							
Mining .....	434,087	420,000	420,000	420,000	420,000	420,000	420,000
Air .....	32,455	32,000	32,000	32,000	32,000	32,000	32,000
Water .....	139,203	140,000	140,000	140,000	140,000	140,000	140,000
Waste Management .....	174,900	170,000	170,000	170,000	170,000	170,000	170,000
Safe Drinking Water .....	42,741	40,000	40,000	40,000	40,000	40,000	40,000
Radiation Protection .....	3,982	4,000	4,000	4,000	4,000	4,000	4,000
Other .....	40,591	45,000	45,000	45,000	45,000	45,000	45,000
<b>Total .....</b>	<b>867,959</b>	<b>851,000</b>	<b>851,000</b>	<b>851,000</b>	<b>851,000</b>	<b>851,000</b>	<b>851,000</b>

Laboratory analyses change from the projections shown in last year's budget because of the most recent count of actual tests conducted. These tests verify that quality assurance standards are being met.

<b>Program Recommendations:</b>	This budget recommends the following changes: (Dollar Amounts in Thousands)
---------------------------------	---

<table style="width: 100%;"> <tr> <td style="width: 10%;"></td> <td style="width: 10%; text-align: right;"><b>General Government Operations</b></td> <td style="width: 80%;"></td> </tr> <tr> <td style="text-align: right;">\$ 362</td> <td style="text-align: left;">—to continue current program.</td> <td></td> </tr> <tr> <td style="text-align: right;">292</td> <td style="text-align: left;">—Initiative — Mail Handling Enhancements. To replace and upgrade mail communications equipment.</td> <td></td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black;">\$ 654</td> <td style="text-align: left; border-top: 1px solid black;"><i>Appropriation Increase</i></td> <td></td> </tr> </table>		<b>General Government Operations</b>		\$ 362	—to continue current program.		292	—Initiative — Mail Handling Enhancements. To replace and upgrade mail communications equipment.		\$ 654	<i>Appropriation Increase</i>		<table style="width: 100%;"> <tr> <td style="width: 10%;"></td> <td style="width: 10%; text-align: right;"><b>Environmental Hearing Board</b></td> <td style="width: 80%;"></td> </tr> <tr> <td style="text-align: right;">\$ 85</td> <td style="text-align: left;">—to continue current program, including fifth Board Member and staff.</td> <td></td> </tr> <tr> <td style="text-align: right;">-88</td> <td style="text-align: left;">—non-recurring items.</td> <td></td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black;">\$ -3</td> <td style="text-align: left; border-top: 1px solid black;"><i>Appropriation Decrease</i></td> <td></td> </tr> </table>		<b>Environmental Hearing Board</b>		\$ 85	—to continue current program, including fifth Board Member and staff.		-88	—non-recurring items.		\$ -3	<i>Appropriation Decrease</i>	
	<b>General Government Operations</b>																								
\$ 362	—to continue current program.																								
292	—Initiative — Mail Handling Enhancements. To replace and upgrade mail communications equipment.																								
\$ 654	<i>Appropriation Increase</i>																								
	<b>Environmental Hearing Board</b>																								
\$ 85	—to continue current program, including fifth Board Member and staff.																								
-88	—non-recurring items.																								
\$ -3	<i>Appropriation Decrease</i>																								

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 21,357	\$ 19,237	\$ 19,891	\$ 20,289	\$ 20,695	\$ 21,109	\$ 21,531
Environmental Hearing Board .....	1,417	1,684	1,681	1,715	1,749	1,784	1,820
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 22,774</b>	<b>\$ 20,921</b>	<b>\$ 21,572</b>	<b>\$ 22,004</b>	<b>\$ 22,444</b>	<b>\$ 22,893</b>	<b>\$ 23,351</b>



*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 that 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.

Act 68 of 1999, the Environmental Stewardship and Watershed Protection Act, authorizes the beginning of the "Growing Greener" program. The goal of this program is to ensure citizens their rights to clean air, to pure water and to the preservation of the natural, scenic, historic and esthetic values of the environment. In the Department of Environmental Resources, a number of program elements are affected: Water Quality Protection, Water Supply Management, Regulation of Mining, and Watershed Conservation. Expanded activities include the reclamation of abandoned mines, plugging of certain oil and gas wells, protection and restoration of watersheds, and improvements to drinking water and sewer systems. See the Program Revision following this subcategory for additional information.

### **Program Element: Air Quality**

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 these activities 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 (outside) monitoring measures overall air quality in an area. The Commonwealth maintains a network of approximately 80 ambient monitoring sites. Sites are chosen primarily for their proximity to populated areas in order to determine the air quality where the greatest number of people is affected. 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 that 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 air quality regulations. The

department must approve plans for new construction or modification of existing facilities before enhancements are made. Inspections are conducted to assure the facility has conformed to approved designs before permits are issued. In addition, on-site inspections are conducted to investigate complaints, initiate enforcement actions and to provide assistance during emergencies. The department uses compliance agreements and abatement orders to correct violations of air emission standards.

A program governing the removal of asbestos from public buildings is also included in air quality. As required by Federal regulations, the department reviews plans for the management of asbestos in schools, regulates companies doing removal work and oversees the safe disposal of the asbestos.

### **Program Element: Water Quality Protection**

The objective of the Water Quality Protection program is to protect the health, safety and well-being of the public through the administration of environmental protection and pollution prevention programs focused on enhancing and maintaining the Commonwealth's water quality. 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.

Through its planning, permitting, surveillance and monitoring, enforcement and grants administration activities, the department carries out its duties and responsibilities for regulating water pollution control facilities and maintaining a Statewide surface and groundwater quality monitoring program. 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 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. Pennsylvania's



## Program: Environmental Protection and Management (continued)

66 county conservation districts have been delegated authority for local administration of several of the water quality protection programs such as erosion and sedimentation control, wetlands and stream encroachments, agricultural application of sewage sludge and dirt and gravel road maintenance. This program provides management, technical, administrative and financial support to the districts in these efforts.

### **Program Element: Water Supply Management**

The major portion of Water Supply Management 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 about 2,225 community water systems in the Commonwealth serving 10.5 million residents and 8,200 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 (residential wells) in Pennsylvania. Regulatory activities involve permitting and compliance, contaminant investigation and control, public education, and consultative services and inspections. A Small Systems Assistance Act, signed in 1992, established technical and management assistance programs and grants to study regionalization alternatives for small systems. As a result of this act, the department has entered an agreement to provide \$1.5 million in grants to fund 39 small system regionalization studies. The department is also actively working to award grants to local sponsors in several additional study areas.

As a result of amendments to the Federal Safe Drinking Water Act in 1996, many of the activities of this program are receiving increased emphasis. These amendments also created the Safe Drinking Water State Revolving Fund, which is being used to increase State technical assistance and regulation.

The Black Fly Control Program, by treating 1,600 stream miles of the Susquehanna, Delaware and Allegheny rivers and their major tributaries, reduces the black fly population and gives relief to the citizens and visitors of the Commonwealth. During the 1999 spray season, 32 counties participated in the black fly suppression effort with an impact on 3.5 million residents. One additional county is expected to request participation for the 2000 spray season.

### **Program Element: Municipal and Residual Waste**

The primary focus of the Municipal and Residual Waste program is to encourage reduction in the amount of wastes produced, to maximize recycling and reuse of waste products and to assure the disposal of the remainder. For years, Pennsylvania relied on landfilling for management of 95 percent of its 9 million tons of municipal waste, while incinerating four percent and recycling only one percent. Implementation of Act 101 of 1988, the Municipal Waste

Planning and Recycling Act, shifted this balance by requiring mandatory recycling in 408 communities. Under Act 101, counties have adopted waste management plans. Municipalities have implemented recycling programs. Communities in which landfills or waste-to-energy facilities are located have taken an active role in permitting and inspecting landfills and facilities to assure that these are being operated in a proper manner. In addition, host communities receive money from a tipping fee to use in any way they wish. 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. In 1996, Pennsylvania exceeded the goal set by Act 101 by recycling more than 25 percent of its municipal waste. As a result, the goal for recycling of its municipal waste has been raised to 35% by the year 2003.

Act 93 of 1988 requires the regulation and control of the disposal of infectious (hospital) wastes. To do this, a manifest system tracks this waste from generation until disposal and a system of inspections assures proper handling of infectious waste. Overall management is guided by regulations and a Statewide plan to address present and future needs for incineration and disposal.

Residual waste is non-hazardous material from industrial, mining, commercial and other similar operations. Over 58 million tons are generated annually. A comprehensive set of new regulations for residual waste disposal sites was implemented in July 1992. These regulations required residual waste facilities to be permitted or re-permitted. Many have chosen to close, requiring the department to approve closure plans and inspections to assure that closures are done in an environmentally sound manner. In 1997, the regulations were amended to reduce reporting requirements by up to 50 percent, saving resources at the state and local government level as well as for the private sector.

### **Program Element: Hazardous Waste**

Hazardous waste management in Pennsylvania consists of regulating the ongoing generation, transportation, treatment, recycling and disposal of hazardous waste plus overseeing the cleanup of improper sites. Generators and transporters of hazardous waste are licensed and all treatment, recycling and disposal operations are permitted. Through a manifest system, the movement of waste is tracked from generation to ultimate treatment or disposal.

The focus of Pennsylvania's cleanup programs has matured from participation in the lengthy and costly Federal Superfund program to the more streamlined State Hazardous Sites Cleanup Program that actively promotes voluntary cleanups by private entities. Movement of wastes is tracked through a manifest system, which follows the shipment from generation to ultimate treatment or disposal. A state-of-the-art optical imaging system enables the department to process manifest and report data, store



## Program: Environmental Protection and Management (continued)

optical images of documents, identify discrepancies and develop reports. Approximately 250,000 manifests are processed each year. Currently the department is actively involved at over 100 Superfund sites and 24 state Hazardous Sites Cleanup Program sites.

The department will finalize comprehensive revisions to its hazardous waste regulations to make them consistent with the Federal requirements during the 1999-2000 fiscal year.

### **Program Element: Land Recycling Program**

Pennsylvania's Land Recycling Program is designed to promote partnerships among local businesses, government, financial institutions, local communities and the Department of Environmental Protection to restore contaminated sites to safe and productive uses. Three statutes were passed in 1995 to make contaminated sites safe, return sites to productive use and preserve farmland and greenspace. Collectively, these statutes are referred to as the Land Recycling Program, and are comprised of: Act 2, the Land Recycling and Environmental Remediation Standards Act; Act 3, the Economic Development Agency, Fiduciary and Lender Environmental Liability Act; and Act 4, the Industrial Sites Environmental Assessment Act. Cleanup standards under Act 2 fall into three broad categories: Background, Statewide Health, and Site-Specific. A Cleanup Standards Science Advisory Board has been established to assist the department in publicizing science-based standards and cleanup regulations.

The land recycling program identifies risk-based standards for cleanup, simplifying the approval process and limiting future liability when cleanup standards are achieved. Grants and loans are available to help finance environmental assessments and site cleanups. The reuse of old industrial sites provide economic and environmental benefits.

### **Program Element: Regulation of Mining**

The purpose of Regulation of Mining is to ensure the wise use of Pennsylvania's mineral resources and to prevent adverse impacts of mining on the public and the environment. This includes active mining for coal and other minerals, oil and gas well drilling, deep mine safety, mine subsidence and reclamation of abandoned mines.

Relating to the coal industry, regulatory activities are designed to ensure proper land reclamation, prevent water and air pollution and protect the health and safety of the public. On July 31, 1982, Pennsylvania was designated as the primary agent for administering the Federal Surface Mining Conservation and Reclamation Act (SMCRA). The SMCRA established a comprehensive set of performance standards for mining and reclamation of surface coal mines, underground coal mines, coal refuse disposal, and coal preparation facilities and for controlling mine subsidence and the use of explosives on surface coal mines. Pennsylvania is required to follow a mandatory enforcement

and civil penalty program imposed by SMCRA, and inspect each mining operation violator monthly until reclamation is achieved.

The Small Operator Assistance program (SOAP) collects information for use in mine permit applications filed by operators who mine 300,000 tons or less per year. Consultants collect the data and provide reports to the department and to the small operators. The operator in the permit application uses the report. The department pays for the report using Federal grant money. The Remining Operator Assistance Program (ROAP) is a state funded program that provides assistance to coal operators who mine and reclaim abandoned mine lands by paying for the cost of data collected and analysis necessary for an operator to obtain permits for remining.

In addition to the environmental regulatory, inspection and compliance activities, the Regulation of Mining is concerned with 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. The bureau also directs the certification requirements for underground mine workers thereby influencing the type and degree of expertise of personnel working 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 bureau works toward protecting the environment and balancing conflicting interests of the oil, gas and coal industries.

Another aspect of the Regulation of Mining program is to resolve environmental degradation and health and safety problems resulting from inactive and abandoned coal mines. This includes the reclamation of abandoned mines, abatement and treatment of acid mine drainage, control of underground mine fires and refuse bank fires, and control of surface subsidence from abandoned deep mines.

The mining program also offers 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 Special Funds Appendix.

### **Program Element: Radiation Protection**

Radiation Protection utilizes several means to protect citizens from exposure to dangerous levels of radiation. One is the regulation, licensing and inspection of radiation





## Program: Environmental Protection and Management (continued)

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, milk produced on local farms, surface waters, vegetation, fish and silt samples are collected and tested at regular intervals. 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.

Radiation Protection is also involved in protecting the citizens of Pennsylvania in the event of accidents involving radioactive materials at power plants and other facilities utilizing radioactive materials.

Safe disposal of low-level radioactive waste, including contaminated filters, gloves and clothing from hospitals, industries and university research centers, is also a part of the radiation protection program. (Spent nuclear fuel and similar highly radioactive materials are not included.) The Appalachian Low-Level Radioactive Waste Compact (Act 120 of 1985) committed Pennsylvania to establish a low-level radioactive waste (LLRW) 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.

In 1998, the department suspended the siting process after discussing the issue with its Low-Level Waste Advisory Committee and the Appalachian Compact Commission. Suspension of the process was the result of the dramatic reduction in the volume of LLRW being generated in the Appalachian Compact and the availability of out-of-state disposal capacity. The department plans to develop a siting re-start plan and monitor national LLRW disposal developments to insure disposal capacity will continue to be available to generators of LLRW in the Appalachian Compact. The department will also continue to promote LLRW volume reduction during the suspension period.

### *Program Element: Waterways Engineering*

The objective of the Waterways Engineering program is to investigate, determine feasibility, design and construct flood protection and stream improvement projects in Pennsylvania and to ensure the safety of major dams.

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 that 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 3,400 dams under active permits in the Commonwealth. Of this total, there are 900 high-hazard dams and 2,500 additional dams that require inspection and monitoring. The high-hazard dams are inspected annually to assure proper operation and maintenance because of the significant threat posed by their possible failure. In addition, the department 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.

This program, in existence for over 50 years, involves the tangible efforts of flood protection through the construction of physical structures such as dams, levees, walls, channels, culverts, etc. that eliminate imminent threats to habitable structures and rehabilitate flood damaged stream channels. The program provides long term relief through projects requiring extensive and permanent protective works and short term relief by the removal of channel blockage, bedload debris and streambank stabilization.

### *Program Element: Watershed Conservation*

The objective of Watershed Conservation is to maintain and enhance the quality of Pennsylvania's water resources through comprehensive watershed management so that public health and safety is protected and natural aquatic systems are sustained. Specific activities designed to achieve these objectives include: monitoring and assessing surface water quality; developing water quality standards; managing nonpoint pollution source problems; improving citizen volunteer monitoring programs; planning water resources use; regulating allocation of surface waters; managing excess stormwater runoff; protecting coastal zone resources; and regulating above and below ground storage tanks.

Water quality assessments have been collected for 12,902 miles of streams in the Commonwealth. A total of 8,495 stream miles were assessed as supporting the Federal "fishable/swimmable" goal and the fish and aquatic life use designated in Pennsylvania's water quality standards.

There are 356 storm water management watersheds in the Commonwealth. Of this total, 58 plans involving 42 counties and 569 municipalities have been completed. An



## Program: Environmental Protection and Management (continued)

additional 23 plans are underway with 21 counties that will involve an additional 239 municipalities.

A 1998 assessment of water quality problems reported that 408 miles out of the 12,902 miles of streams assessed were being impacted by point sources and about 3,768 miles by nonpoint sources. The major nonpoint source impacts were caused by abandoned mine drainage (1,764 miles) and agriculture (1,328 miles).

The Commonwealth has more than 60,000 regulated aboveground and underground storage tanks and many thousands more which are unregulated. Emphasis is being placed on upgrading of existing underground storage tanks to meet new Federal tank standards effective December 22, 1998.

### **Program Element: Pollution Prevention and Compliance Assistance**

The Office of Pollution Prevention and Compliance Assistance (OPPCA) was established in 1996 to encourage firms, other State agencies and local governments to integrate environmental management practices and pollution prevention/energy efficiency strategies into their management decisions for the purpose of reducing costs and lessening environmental impacts. Combining energy efficiency with pollution prevention programs is a key component in enhancing Pennsylvania's new approach to "go beyond compliance" with environmental regulations and focus more on pollution abatement and energy conservation. This program also focuses on cultivating the use of green technologies in the Commonwealth and marketing these Pennsylvania technologies nationwide and abroad. Pennsylvania's environmental industry generates approximately \$7 billion in annual sales, making it a leader in the United States' estimated \$134 billion environmental industry. The OPPCA is a major player in the Multi-State Working Group on Environmental Management Systems. This group of 12 states, Environmental Protection Agency (EPA) representatives, businesses, universities and public interests is collecting information on companies' environmental management systems to place on a national

database. The database will be used to evaluate the effectiveness of the environmental management systems and to identify their role in future environmental programs and policies.

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 remaining 25 percent of the funds are used to supplement the Federal energy programs and other energy conservation and development projects.

The State Energy Program (SEP) is a Federal program that provides funding to promote energy efficiency and pollution prevention. The program specifically addresses issues related to transportation, industry/commercial, building/residential, and state and local government sectors. The SEP programs range from a Pollution Prevention/Energy Efficiency Conference that yields a wealth of technology transfer opportunities to the Governor's Green Government Council which commits the Commonwealth to set an example for the community in taking the lead in reducing operating costs in areas such as energy efficiency, cleaner fleet vehicles and recycling.

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 a portion 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 partially fund the cost to install equipment necessary to refuel the modified vehicles.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Air Quality</b>							
Air emission operating permits in effect .....	4,000	3,000	2,500	2,500	2,500	2,500	2,500
Air emission inspections performed .....	10,500	11,000	11,000	11,000	11,000	11,000	11,000

Emission inspections performed decrease from the projections shown in last year's budget because of the time it takes to perform major emission facilities (Title V) inspections versus mobile and area facilities (non-Title V) inspections. Although the same effort in work hours did not change, more major emission facilities inspections were conducted, resulting in fewer inspected units.



## Program: Environmental Protection and Management (continued)

<b>Program Measures: (continued)</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Water Quality Protection</b>							
Sewage and industrial waste discharge inspections .....	4,690	4,250	4,000	4,000	4,000	4,000	4,000
Permits issued for water pollution control facilities .....	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enforcement actions .....	150	150	150	150	150	150	150
<p>Sewage and industrial waste discharge inspections decrease from the projections shown in last year's budget because more emphasis is being placed on non-point sources of pollution for compliance efforts. Regions will use a compliance reporting system to prioritize facilities to be inspected.</p>							
<b>Water Supply Management</b>							
Residents of areas in Black Fly Suppression Program .....	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Inspections of public drinking water supplies ..	2,865	3,000	3,000	3,000	3,000	3,000	3,000
Community water systems complying with reporting requirements. ....	80%	80%	80%	80%	80%	80%	80%
Non-community water systems complying with reporting requirements. ....	85%	85%	85%	85%	85%	85%	85%
<b>Municipal and Residual Waste</b>							
Municipal and residual waste facilities permitted .....	500	500	500	500	500	500	500
Percent of municipal waste diverted from landfills* .....	56%	56%	56%	56%	56%	56%	56%
<p>*The percent of municipal waste disposal by methods other than landfills is changed to the percent of municipal waste diverted from landfills to clarify that alternate disposal methods and recycled waste are counted. Total waste generated in 1998-99 was down while the portion not landfilled was up, resulting in the percentage increase.</p>							
<b>Hazardous Waste</b>							
Hazardous waste inspections performed .....	1,507	1,250	1,250	1,250	1,250	1,250	1,250
Hazardous waste sites permitted and licensed under Act 108 .....	152	150	150	150	150	150	150
<p>Hazardous waste inspections performed increase from the projections shown in last year's budget because of the increased number of pollution prevention visits, combined with auto body repair shops being named as the targeted industry for the 1998-99 fiscal year. Auto body shops are plentiful, located in clusters and quickly inspected.</p>							
<b>Land Recycling Program</b>							
Industrial sites participating in the program ....	530	750	900	1,000	1,075	1,125	1,150
Industrial sites remediated .....	267	375	450	500	540	565	575
<p>Industrial sites participating in the program decrease from the projections shown in last year's budget because only those sites which have sent a notice of participation to the department are included. This number is driven by the number of landowners responding and may vary from year to year. There is no requirement for landowners to notify the department that they will participate in land recycling of industrial sites.</p>							
<b>Regulation of Mining</b>							
Mine permit actions:							
Coal .....	1,134	1,300	1,250	1,250	1,250	1,250	1,250
Non-coal .....	410	420	420	420	420	420	420
Inspections:							
Complete coal inspections .....	9,202	9,200	9,150	9,100	9,100	9,100	9,100
Partial coal inspections .....	15,633	15,500	15,400	15,400	15,300	15,200	15,100
Non-coal inspections .....	4,809	4,850	4,850	4,850	4,850	4,850	4,850
Oil and gas field inspections .....	10,500	9,000	9,000	9,000	9,000	9,000	9,000
Mining compliance orders issued .....	1,014	1,000	900	800	800	515	500
Mine substance insurance policies in effect ...	44,319	46,500	48,000	52,000	56,000	60,000	60,000
Employees trained in mine safety .....	7,500	7,500	7,500	7,500	7,500	7,500	7,500



# Environmental Protection

## Program: Environmental Protection and Management (continued)

<b>Program Measures: (continued)</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Regulation of Mining (continued)</b>							
Abandoned mine sites designated as potential safety problems .....	1,179	1,143	1,113	1,081	1,049	1,017	985
Acres of coal mining lands reclaimed .....	18,877	19,200	19,100	18,600	18,100	17,600	15,500
Acres of coal mining lands declared forfeited ..	240	250	250	200	200	200	200

Coal and non-coal mine permit actions are demand driven and may vary from year to year. Coal inspections decreased from those shown in last year's budget due to a reduction in the number of mine sites required to be inspected. Abandoned mine sites designated as potential safety problems decreased from those shown in last year's budget because of the latest estimate of potential problem sites.

<b>Radiation Protection</b>							
Radiation user inspections performed .....	2,400	2,200	2,300	2,300	2,300	2,300	2,300
Users brought into compliance through inspections .....	170	290	340	340	340	340	340
Nuclear plant off-site samples .....	3,300	3,300	3,300	3,300	3,300	3,300	3,300
Cubic feet of low-level radioactive waste generated in Pennsylvania .....	30,000	30,000	30,000	30,000	30,000	30,000	30,000

Radiation user inspections performed increase from those shown in last year's budget because of the most recent count of inspections conducted. Users brought into compliance decrease from those shown in last year's budget because of the increased effort in outreach programs that resulted in fewer violations.

Cubic feet of low-level radioactive waste generated in Pennsylvania decreased from the projections shown in last year's budget because of innovative methods being used to reduce waste volume.

<b>Waterways Engineering</b>							
Stormwater construction permits issued .....	1,803	1,500	1,500	1,500	1,500	1,500	1,500
Dam inspections .....	1,171	1,268	1,280	1,290	1,300	1,300	1,300
Cumulative assessed stream miles attaining designated uses .....	8,500	8,600	8,710	8,820	8,930	9,050	9,160

Stormwater construction permits issued increased from those shown in last year's budget because of the strong economy. When more funds are available, more construction is planned and implemented, resulting in more issued permits.

Cumulative assessed stream miles attaining designated uses decrease from the projections shown in last year's budget because of more recent data.

<b>Alternative Fuels Incentive Grant Program</b>							
Vehicle conversions/new alternative fuel vehicles .....	420	360	350	350	350	350	350
Companies introduced to pollution prevention and energy efficiency strategies .....	185	185	185	185	185	185	185
Businesses and local governments provided with new informational tools for use in reducing the source of pollution .....	95	100	230	300	410	500	550

Vehicle conversions/new alternative fuel vehicles increase from those shown in last year's budget because of decreased conversion costs (from \$8,000 per vehicle to \$6,000 per vehicle). More vehicles can be converted for the same financial outlay.

Companies introduced to pollution prevention and energy efficiency strategies and in businesses and local governments provided with new informational tools for use in reducing the source of pollution increase from the projections shown in last year's budget because of more trained, efficient regional staff conducting site visits and outreach activities.



# Environmental Protection

## Program: Environmental Protection and Management (continued)

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p><b>Environmental Program Management</b></p> <p>\$ 1,002 — to continue current program.</p> <p>80 — Initiative — Air Quality Monitoring Enhancements. To implement new Federally mandated regulations regarding particulate monitoring networks.</p> <p>-400 — Initiative — Stream Improvement Projects Funding Redesign. Redirection of funding for stream improvement projects to improve program management.</p> <p>90 — Initiative — Information Technology Support. To provide administrative resources for the effective utilization of Geographic Information Systems.</p> <p>465 — Initiative — Drought Monitoring Wells. To install drought monitoring wells in 19 counties and upgrade existing wells with satellite data control platforms.</p> <p>75 — Initiative — Longwall Mining Studies. To contract for studies to determine the effects of longwall mining in Pennsylvania.</p> <p>67 — Initiative — Field Office Enhancements. To support field office relocations and upgrades.</p> <p>155 — PRR — Vision for the 21st Century Environment. This Program Revision establishes watershed coordinators who will manage and coordinate watershed initiatives. See the Program Revision following this program for additional information.</p> <hr/> <p>\$ 1,534 <i>Appropriation Increase</i></p> <p><b>Chesapeake Bay Agricultural Source Abatement</b></p> <p>\$ 129 — to continue current program.</p> <p><b>Office of Pollution Protection and Compliance Assistance</b></p> <p>\$ 211 — to continue current program.</p> <p>206 — PRR — Vision for the 21st Century Environment. This Program Revision creates a Growing Greener Support Center, establishing a single point of contact for grant requests. See the Program Revision following this program for additional information.</p> <hr/> <p>\$ 417 <i>Appropriation Increase</i></p> <p><b>Environmental Protection Operations</b></p> <p>\$ 2,770 — to continue current program.</p> <p>634 — Initiative — Field Office Enhancements. To support field office relocations and upgrades.</p> <p>741 — PRR — Vision for the 21st Century Environment. This Program Revision establishes watershed coordinators who will manage and coordinate watershed initiatives. See the Program Revision following this program for additional information.</p>	<p>1,051</p> <hr/> <p>\$ 5,196</p> <p>-12,466</p> <p>\$ 4,180</p> <p>\$ 648</p> <p>\$ 400</p> <p>\$ 2,400</p> <p>\$ 46,625</p> <p>\$ 4</p> <p>\$ -2,000</p> <p>\$ 2</p> <p>\$ 54</p> <p>\$ 1</p> <p>\$ 5</p>	<p>— PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides resources for base stations and mobile and portable radio equipment for agency participation in the Statewide Public Safety Radio System. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.</p> <p><i>Appropriation Increase</i></p> <p><b>Safe Water</b></p> <p>— nonrecurring safe water projects.</p> <p><b>West Nile Virus Control</b></p> <p>— Initiative — West Nile Virus Control. To monitor for the presence of the West Nile virus in mosquitoes, birds and other animals and to implement abatement activities.</p> <p><b>Black Fly Control and Research</b></p> <p>— to continue current program.</p> <p><b>Flood Control Projects</b></p> <p>— Initiative — Stream Improvement Projects Funding Redesign. Redirection of funding for stream improvement projects to improve program management.</p> <p><b>Sewage Treatment Plant Operations Grants</b></p> <p>— to continue current program.</p> <p><b>Environmental Stewardship Fund</b></p> <p>— General Fund contribution to fully implement Growing Greener initiative.</p> <p><b>Delaware River Master</b></p> <p>— to continue current level of participation.</p> <p><b>Environmental Education</b></p> <p>— nonrecurring grants.</p> <p><b>Ohio River Basin Commission</b></p> <p>— to continue current level of participation.</p> <p><b>Susquehanna River Basin Commission</b></p> <p>— to continue current level of participation.</p> <p><b>Interstate Commission on the Potomac River</b></p> <p>— to continue current level of participation.</p> <p><b>Ohio River Valley Sanitation Commission</b></p> <p>— to continue current level of participation.</p>
--	--	--



# Environmental Protection

## Program: Environmental Protection and Management (continued)

### Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 58	<b>Northeast-Midwest Institute</b> — Initiative — Northeast-Midwest Institute Program Support. To support Commonwealth environmental interests including river basins, brownfields, prevention of invasive species and reduction in non-point source pollution.	32,046	<b>Watershed Protection and Restoration</b> — PRR — Vision for the 21st Century Environment. This Program Revision provides for watershed protection and restoration grants as part of the Growing Greener initiative. See the Program Revision following this program for additional information.
\$ -500	<b>Orphan Well Plugging</b> — nonrecurring grants.	-21,790	— for 1999-00 watershed protection and restoration grants related to the Growing Greener initiative.
<b>ENVIRONMENTAL STEWARDSHIP FUND</b>			
\$ 3,000	<b>Oil and Gas Well Plugging</b> — PRR — Vision for the 21st Century Environment. This Program Revision provides resources to plug abandoned and orphan oil and gas wells as part of the Growing Greener initiative. See the Program Revision following this program for additional information.	\$ 10,256	— for 1999-00 watershed protection and restoration grants related to the Growing Greener initiative.
-1,983	— for 1999-00 abandoned and orphan oil and gas wells remediation projects related to the Growing Greener initiative.	5,500	<b>Sewage and Drinking Water Grants</b> — PRR — Vision for the 21st Century Environment. This Program Revision provides resources for the construction and rehabilitation of water and sewer infrastructure projects as part of the Growing Greener initiative. See the Program Revision following this program for additional information.
\$ 1,017	<i>Appropriation Increase</i>	-3,696	— for 1999-00 water and sewer infrastructure construction and rehabilitation projects related to the Growing Greener initiative.
<b>Abandoned Mine Reclamation and Remediation</b>			
10,000	— PRR — Vision for the 21st Century Environment. This Program Revision provides for abandoned mine reclamation and remediation activities as part of the Growing Greener initiative. See the Program Revision following this program for additional information.	1,804	<i>Appropriation Increase</i>
-10,100	— for 1999-00 abandoned mines reclamation and remediation projects related to the Growing Greener initiative.		
\$ -100	<i>Appropriation Decrease</i>		

In addition, \$48,000 in Other funds will support the implementation of the new particulate monitoring requirements.

In addition, \$75,000 in Federal funds will support studies to determine the effects of longwall mining in Pennsylvania.

In addition, \$196,000 from the Radiation Protection Fund will be used to implement Agreement State status with the Nuclear Regulatory Commission.

All other appropriations are recommended at the current year funding levels.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Cleanup of Scrap Tires .....	\$ 1,960	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Environmental Program Management .....	33,123	40,200	41,734	42,436	43,294	44,167	45,059
Chesapeake Bay Agricultural Source Abatement .....	2,902	3,213	3,342	3,409	3,477	3,547	3,618
Office of Pollution Prevention and Compliance Assistance .....	1,826	3,114	3,531	3,814	3,890	3,968	4,048
Environmental Protection Operations .....	70,083	71,402	76,598	76,890	78,428	79,995	81,595
Safe Water .....	6,705	12,466	0	0	0	0	0
West Nile Virus Control .....	0	4,100	8,280	8,306	8,332	8,358	8,386
Black Fly Control and Research .....	2,997	4,086	4,734	4,829	4,926	5,025	5,126
Low Level Radioactive Waste Control .....	425	0	0	0	0	0	0
Flood Control Projects .....	1,504	1,025	1,425	1,425	1,425	1,425	1,425
Storm Water Management .....	644	1,200	1,200	1,200	1,200	1,200	1,200
Sewage Facilities Planning Grants .....	1,950	1,950	1,950	1,950	1,950	1,950	1,950
Sewage Facilities Enforcement Grants .....	4,970	5,000	5,000	5,000	5,000	5,000	5,000



# Environmental Protection

## Program: Environmental Protection and Management (continued)

### Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND: (continued)</b>							
Sewage Treatment Plant Operations							
Grants .....	\$ 44,000	\$ 46,300	\$ 48,700	\$ 51,135	\$ 51,135	\$ 50,477	\$ 48,741
Environmental Stewardship Fund .....	0	53,375	100,000	100,000	100,000	100,000	0
Environmental Education .....	0	2,000	0	0	0	0	0
Delaware River Master .....	87	91	95	95	95	95	95
Ohio River Basin Commission .....	13	14	16	16	16	16	16
Susquehanna River Basin Commission .....	600	600	654	654	654	654	654
Interstate Commission on the Potomac							
River .....	38	40	41	41	41	41	41
Delaware River Basin Commission .....	978	1,049	1,049	1,049	1,049	1,049	1,049
Ohio River Valley Water Sanitation							
Commission .....	154	160	165	165	165	165	165
Chesapeake Bay Commission .....	295	265	265	265	265	265	265
Local Soil and Water District Assistance .....	2,850	3,100	3,100	3,100	3,100	3,100	3,100
Interstate Mining Commission .....	21	25	25	25	25	25	25
Northeast-Midwest Institute .....	0	0	58	59	60	62	63
Appalachian States Low-Level Waste							
Compact .....	48	0	0	0	0	0	0
Small Water System Regionalization .....	203	400	400	400	400	400	400
Orphan Well Plugging .....	0	500	0	0	0	0	0
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 178,376</b>	<b>\$ 257,675</b>	<b>\$ 304,362</b>	<b>\$ 308,263</b>	<b>\$ 310,927</b>	<b>\$ 312,984</b>	<b>\$ 214,021</b>
<b>ENVIRONMENTAL STEWARDSHIP FUND:</b>							
Oil and Gas Well Plugging .....	\$ 0	\$ 1,983	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 0
Abandoned Mine Reclamation and							
Remediation .....	0	10,100	10,000	10,000	10,000	10,000	0
Watershed Protection and Restoration .....	0	21,790	32,046	32,046	32,046	32,046	0
Sewage and Drinking Water Grants .....	0	3,696	5,500	5,500	5,500	5,500	0
<b>TOTAL ENVIRONMENTAL STEWARDSHIP FUND .....</b>	<b>\$ 0</b>	<b>\$ 37,569</b>	<b>\$ 50,546</b>	<b>\$ 50,546</b>	<b>\$ 50,546</b>	<b>\$ 50,546</b>	<b>\$ 0</b>
<b>MOTOR LICENSE FUND:</b>							
Dirt and Gravel Road .....	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000



## Program Revision: Vision for the 21<sup>st</sup> Century Environment

The citizens of Pennsylvania have been blessed with a Commonwealth rich in abundant natural resources and filled with scenic beauty. Pennsylvanians recognized quickly that the Commonwealth's vast forests, rich soils, and abundant, pure waters would provide the foundation for a thriving economy. Pennsylvania's "keystone" location and its abundant and diverse natural resources made it the center of early urbanization and industrialization. These natural resources established Pennsylvania as a leader in agriculture and powered America through the industrial revolution. Unfortunately, the rampant and uncontrolled extraction, mining, cutting, drilling and processing of these natural resources, which drove the economy and prosperity of the State and the nation, also left a legacy of environmental consequences, which has continued even to this day.

Pennsylvania's natural resources were being fully utilized for the betterment of the nation, but to the detriment of the State's environment. Early conservation and stewardship pioneers recognized the need to protect and preserve the Commonwealth's environment in order to sustain prosperity. These earlier conservation efforts addressed Pennsylvania's environmental agenda with varying degrees of success. Significant strides have been made over the past 25 years in improving the environment and protecting our natural areas. However, much more is required to address remaining environmental problems to achieve the Commonwealth's vision for its environment, and to protect the future of Pennsylvania.

One of the more enduring challenges of the new millennium will be to ensure citizens clean air, pure water and the preservation of the natural, scenic, historic and esthetic values of the environment. Pennsylvania will meet this challenge through the implementation of the most significant environmental investment in the Commonwealth's history — The Environmental Stewardship and Watershed Protection Act (Act 68 of 1999), commonly referred to as "Growing Greener". This Act will have a sweeping positive impact on Pennsylvania's environment — both today and tomorrow. Growing Greener represents a dramatic restructuring of State spending priorities to address the critical environmental concerns of the 21<sup>st</sup> Century. Growing Greener will address the problems of acid mine drainage, watershed degradation, aging water and sewer infrastructure, public land stewardship and conservation through innovative approaches. Single focus programs will be replaced with broader approaches that look at regions and watersheds in a more comprehensive way. Flexibility will be available to address numerous individual environmental issues and partnerships with the inclusion of many new and interested parties.

Growing Greener commits a total of \$645.9 million over five years, consisting of \$473.4 million in State funds and

\$172.5 million from the Recycling and Hazardous Sites Cleanup funds and landfill fees. Growing Greener became effective on December 15, 1999 and \$85.9 million is available for the current fiscal year. During this fiscal year the Department of Environmental Protection will begin to address mine reclamation and remediation work and watershed protection and restoration needs. Also, the Department of Conservation and Natural Resources will expand efforts to rehabilitate and repair State Parks and Forests lands and facilities. In addition, \$20 million in General Fund money will be provided to the Department of Agriculture for agricultural land preservation. In 2000-01, this Program Revision recommends a total of \$135 million, including \$100 million from the General Fund, \$25 million from the Recycling Fund, \$5 million from the Hazardous Sites Cleanup Fund and \$5 million from the landfill fees to implement Growing Greener.

Recognizing the importance of water resources and the role watersheds have in contributing to the Commonwealth's environment, the Department of Environmental Protection has begun a programmatic reorganization of its activities to more closely focus its policies and resources on watershed protection. This Program Revision supports this redirection by recommending \$32 million to the Department of Environmental Protection to preserve and restore the Commonwealth's impaired watersheds. In Pennsylvania, approximately 95 percent of the water quality impaired watersheds are polluted because of historic mining activities, agricultural or urban runoff, atmospheric deposition, on-lot sewage system failure, earth moving or timber harvesting activities. Reducing the impacts of these activities on watersheds will be a major focus of Growing Greener. Local conservation districts, watershed organizations, and volunteers will be utilized to accomplish this goal. The Commonwealth also continues to have outstanding needs in the area of water and sewer infrastructure upgrades and repairs. New and improved water sources, treatment and distribution systems are needed for public drinking water supplies. Wastewater treatment needs are found across Pennsylvania, predominated by needs to rehabilitate existing wastewater systems in older cities and towns. This Program Revision recommends an additional \$5.5 million annually to construct and rehabilitate water and sewer infrastructure projects in communities that support sound land use planning, with emphasis on projects in economically distressed areas. This Program Revision also includes a commitment of \$32 million for PENNVEST to provide financial assistance in the form of grants and matching grants for stormwater, water and sewer infrastructure projects, including the construction or rehabilitation of collection and conveyance systems.





## Program Revision: Vision for the 21<sup>st</sup> Century Environment (continued)

The quality of our groundwater resources is a critical issue. This Program Revision recommends \$896,000 to facilitate the realignment of Department of Environmental Protection staff from the current program-based organization into watershed teams. This change will include establishing watershed coordinators throughout Pennsylvania who will be the primary point of contact for conservation districts. In addition, watershed initiative coordinators in the Department of Environmental Protection's central office will manage and coordinate existing and new funding for various watershed initiatives. This reorganization will encourage the involvement of local watershed groups and energize local involvement in environmental protection projects.

Pennsylvania's abandoned mineral extraction lands memorialize a period of great economic and industrial growth in our State and nation. Abandoned mineral extraction lands, fraught with environmental and safety hazards, constitute a significant public liability. Pennsylvania has more than 250,000 acres of abandoned surface mines, 2,400 miles of mine-polluted streams, over 7,000 orphaned and abandoned oil and gas wells, widespread subsidence problems, numerous hazardous mine openings, mine fires, abandoned structures and affected water supplies, representing as much as one-third of the total problem nationally. Environmental problems from historic coal mining and oil and gas drilling exist in over two-thirds of the State's 67 counties. This Program Revision recommends \$10 million to the Department of Environmental Protection to reclaim abandoned mines and \$3 million to plug abandoned and orphan oil and gas wells, with major emphasis on wells located on State lands and high priority wells known to be causing health, safety and environmental problems. In addition, this Program Revision also provides \$206,000 for the creation of a Growing Greener Support Center in the Department of Environmental Protection to serve as an information clearinghouse and contact center for Growing Greener. The center will be the single point of contact for Growing Greener grants and will be designed to provide quality government service that is user-friendly and customer focused, responsive and accountable to the citizens it serves.

The Commonwealth owns approximately four million acres of natural assets located primarily in our State Parks, State Forest lands and State Game lands. Many of these areas suffer from historic environmental problems including unreclaimed mine lands, acid mine drainage, and abandoned oil and gas wells. Unique habitats can be threatened by adjacent land uses, water quality changes or invasion by exotic plant species. In addition, a continuing problem on these lands is that many facilities are in need of repair and upgrading. In response, this Program Revision recommends \$24 million to the Department of Conservation and Natural Resources to rehabilitate, repair and develop State Parks and State Forest lands and facilities.

Addressing the rate of consumption of Pennsylvania's open spaces and rural land is another main focus of Growing Greener. In recent decades development patterns have become less distinct as more and more farmland and open spaces were converted to expanding and often uncontrolled development to serve a spreading population. In fact, since 1960, the population of Pennsylvania's ten largest metropolitan areas has grown by 13 percent but the amount of developed land in those areas has grown by 80 percent. While changing land use patterns and growth are not necessarily negative factors, uncontrolled and random growth can impose significant and unintended economical and environmental consequences. This Program Revision recommends \$8.2 million to the Department of Conservation and Natural Resources to address some of the unintended consequences of uncontrolled land use growth. Funding will provide grants to communities and other organizations for local community conservation and open space projects. In particular, \$300,000 in grant funding will be provided to counties and local governments for projects to conserve the State's biological diversity.

Funding provided through Growing Greener and this Program Revision will seek to ensure the development of sustainable communities with "green infrastructure" to protect Pennsylvania's natural assets and to add value and amenities to communities. These assets include open space, greenways, river corridors, parks, natural areas and bike and rail trails. These are essential elements of a community's attractiveness and livability and are a key factor in determining an area's quality of life. Green infrastructure can also revitalize existing communities that may have been negatively affected by current land use patterns and can help promote tourism and other economic development initiatives. This Program Revision provides grants for open space preservation projects that may range from greenways, riparian buffers, community open space and close-to-home recreation facilities. An additional \$725,000 is recommended for the Department of Conservation and Natural Resources to support the significant increase in grant and contract management responsibilities brought about by Growing Greener.

Uncontrolled land use not only may be potentially harmful to the environment, but also directly contributes to the loss of Pennsylvania's valuable farmland resources. The annual loss of thousands of acres of farmland directly impacts agriculture, the Commonwealth's largest economic sector. The Farmland Preservation program has successfully preserved 1,175 farms consisting of 145,663 acres since its inception. This Program Revision recommends \$20 million in Growing Greener funds for the Department of Agriculture to preserve Pennsylvania's valuable farmland. This funding will be used to purchase easements on prime agricultural land throughout the Commonwealth to ensure its continued use for agricultural purposes.



# Environmental Protection

## Program Revision: Vision for the 21<sup>st</sup> Century Environment (continued)

The Commonwealth remains committed to economic growth in order to provide expanding opportunities and a higher quality of life for all Pennsylvanians. The fundamental task facing the Commonwealth and its local communities is to develop smarter, more efficient ways of using our land. To meet this challenge, the Commonwealth must recognize that the land is a resource, yet continue to protect property rights as land use patterns impact both the environment and the economic future. Few environmental and economic issues have attracted more public and media attention in recent years than sprawl. Sprawl (the unrelenting use of land for expanding housing developments, shopping centers, business complexes and the roads that connect them) elicits strong emotions from the millions of people who live, work and commute in its midst. This Program Revision provides increased resources for the development and promotion of sound land use planning tools and techniques. It recommends a total of \$3.1 million, \$2.5 million in new funding and \$625,000 in funding redirected from the Planning Assistance Program, to support the Land Use Planning Assistance Program. This program provides planning assistance on a multi-municipality basis and trains

communities on the requirements of the new economy. Intergovernmental grants are also made available through the program to promote cooperation in making sound land use decisions and in implementing technological initiatives.

Through this expanded approach to address the unfinished environmental agenda of the 20<sup>th</sup> century, this Program Revision seeks to address watershed protection, support water and sewer infrastructure projects, reduce acid mine drainage abatement and abandoned well pollution, control and prevent nonpoint source pollution, protect open spaces, conserve natural resources and create outdoor recreation opportunities in areas that plan for and adopt sound land use practices. The choices that Pennsylvanians collectively make today regarding the current and future use of their natural resources will leave an indelible mark on the environment of the 21<sup>st</sup> century. The unprecedented environmental investment of Growing Greener, along with the Commonwealth's strengthened commitment to educate communities on environmentally and economically sound land use, represent a balanced and effective strategy to ensure Pennsylvania's future.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Additional mining impacted stream miles restored to water quality standards							
Program Revision .....	0	3	5	5	5	5	0
Additional abandoned wells plugged							
Program Revision .....	0	90	130	130	130	130	0
Additional acres of abandoned mines reclaimed							
Program Revision .....	0	1,200	1,600	1,600	1,600	1,600	0
Additional watershed restoration and protection projects							
Program Revision .....	0	75	150	150	150	150	0
Additional outreach and training provided (in hours)							
Program Revision .....	0	1,500	4,500	4,500	4,500	4,500	0
Additional water quality assessments and restoration/protection plans developed							
Program Revision .....	0	30	75	75	75	75	0
Groundwater observation wells							
Current .....	48	48	48	48	48	48	48
Program Revision .....	0	0	67	67	67	67	67
Groundwater observation wells equipped to transmit data via satellite							
Current .....	27	27	27	27	27	27	27
Program Revision .....	0	0	67	67	67	67	67
Park and Forest repair and improvement backlog remaining (%)							
Program Revision .....	0	84%	65%	45%	23%	0%	0%



# Environmental Protection

## Program Revision: Vision for the 21<sup>st</sup> Century Environment (continued)

**Program Revision Recommendations:** This budget recommends the following changes: (Dollar Amounts in Thousands)

	<b>GENERAL FUND</b>			<b>ENVIRONMENTAL PROTECTION</b>	
	<b>ENVIRONMENTAL PROTECTION</b>			<b>Watershed Protection and Restoration Grants</b>	
\$	155	<b>Environmental Program Management</b> — to establish watershed coordinators who will manage and coordinate various watershed initiatives.	\$	32,046	— to provide watershed protection and restoration grants as part of the Growing Greener initiative.
\$	741	<b>Environmental Protection Operations</b> — to establish watershed coordinators who will manage and coordinate various watershed initiatives.	\$	5,500	<b>Sewage and Drinking Water Grants</b> — to provide sewage and drinking water grants as part of the Growing Greener initiative.
\$	206	<b>Office of Pollution Prevention and Compliance Assistance</b> — to create a Growing Greener Support Center, establishing a single point of contact for grant requests.	\$	10,000	<b>Abandoned Mine Reclamation and Remediation</b> — to provide for abandoned mine reclamation and remediation as part of the Growing Greener initiative.
\$	725	<b>CONSERVATION AND NATURAL RESOURCES</b> <b>General Government Operations</b> — to provide administrative and operational support to meet the increase in grant and contract management responsibilities.	\$	3,000	<b>Oil and Gas Well Plugging</b> — to provide for oil and gas well plugging activities as part of the Growing Greener initiative.
\$	-625	<b>COMMUNITY AND ECONOMIC DEVELOPMENT</b> <b>Planning Assistance</b> — to consolidate the State Planning Assistance Grants into the Land Use Planning Assistance Program.	\$	32,030	<b>INFRASTRUCTURE INVESTMENT AUTHORITY</b> <b>Storm Water, Water and Sewer Grants</b> — to provide grants for stormwater, water and sewer projects as part of the Growing Greener initiative.
\$	3,125	<b>Land Use Planning Assistance</b> — to provide additional resources to the Land Use Planning Assistance Program, focusing on sound land use and planning practices.	\$	24,071	<b>CONSERVATION AND NATURAL RESOURCES</b> <b>Parks and Forest Facility Rehabilitation</b> — to provide for the repair and maintenance of State Parks & Forest facilities as part of the Growing Greener initiative.
\$	4,327	<i>General Fund Total</i>	\$	8,200	<b>Community Conservation Grants</b> — to provide grants for community conservation projects as part of the Growing Greener initiative.
\$	20,002	<b>ENVIRONMENTAL STEWARDSHIP FUND</b> <b>AGRICULTURE</b> <b>Transfer to Agricultural Conservation Easement Purchase Fund</b> — to provide for agricultural land preservation.	\$	300	<b>Natural Diversity Conservation Grants</b> — to provide grants for natural diversity conservation as part of the Growing Greener initiative.
			\$	135,149	<i>Environmental Stewardship Fund Total</i>
			\$	139,476	<i>Program Revision Total</i>



# Environmental Protection

## Program Revision: Vision for the 21<sup>st</sup> Century Environment (continued)

### Recommended Program Revision Costs by Appropriation:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
<b>Community and Economic Development</b>							
Planning Assistance .....	\$ 0	\$ 0	\$ -625	\$ 0	\$ 0	\$ 0	\$ 0
Land Use Planning Assistance .....	0	0	3,125	3,187	3,251	3,316	3,383
<b>Conservation and Natural Resources</b>							
General Government Operations .....	0	0	725	680	694	708	722
<b>Environmental Protection</b>							
Environmental Protection Operations .....	0	0	741	944	963	982	1,002
Environmental Program Management .....	0	0	155	317	324	330	337
Office of Pollution Prevention and Compliance Assistance .....	0	0	206	422	430	439	448
<b>GENERAL FUND TOTAL .....</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 4,327</b>	<b>\$ 5,550</b>	<b>\$ 5,662</b>	<b>\$ 5,775</b>	<b>\$ 5,892</b>
<b>ENVIRONMENTAL STEWARDSHIP FUND:</b>							
<b>Agriculture</b>							
Transfer to Agricultural Conservation Easement Purchase Fund .....	\$ 0	\$ 0	\$ 20,002	\$ 20,002	\$ 20,002	\$ 20,002	\$ 0
<b>Infrastructure Investment Authority</b>							
Storm Water, Water and Sewer Grants .....	0	23,985	32,030	32,030	32,030	32,030	0
<b>Environmental Protection</b>							
Oil and Gas Well Plugging .....	0	1,983	3,000	3,000	3,000	3,000	0
Abandoned Mine Reclamation and Remediation .....	0	10,100	10,000	10,000	10,000	10,000	0
Watershed Protection and Restoration Grants .....	0	21,790	32,046	32,046	32,046	32,046	0
Sewage and Drinking Water Grants .....	0	3,696	5,500	5,500	5,500	5,500	0
<b>Conservation and Natural Resources</b>							
Parks & Forest Facility Rehabilitation .....	0	20,015	24,071	24,071	24,071	24,071	0
Community Conservation Grants .....	0	4,200	8,200	8,200	8,200	8,200	0
Natural Diversity Conservation Grants .....	0	200	300	300	300	300	0
<b>ENVIRONMENTAL STEWARDSHIP FUND TOTAL .....</b>	<b>\$ 0</b>	<b>\$ 85,969</b>	<b>\$ 135,149</b>	<b>\$ 135,149</b>	<b>\$ 135,149</b>	<b>\$ 135,149</b>	<b>\$ 0</b>





---

# FISH AND BOAT COMMISSION

*The mission of the Fish and Boat Commission is to provide fishing and boating opportunities through the protection and management of aquatic resources.*



# Fish and Boat Commission

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
Repayment for Free Fishing Licenses.....	\$ 798	\$ 0	\$ 0
<i>Grants and Subsidies:</i>			
Atlantic States Marine Fisheries Commission.....	\$ 10	\$ 10	\$ 11
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 808</b>	<b>\$ 10</b>	<b>\$ 11</b>
<b>BOAT FUND:</b>			
<i>General Government:</i>			
General Operations (EA).....	\$ 8,821	\$ 8,230	\$ 8,590
(F)US Coast Guard Grant - Boating Safety.....	1,476	1,510	1,400
(F)Sport Fish Restoration.....	561	901	503
(F)Clean Vessels.....	40	50	50
(A)Sale of Vehicles.....	17	20	20
Subtotal - State Funds.....	\$ 8,821	\$ 8,230	\$ 8,590
Subtotal - Federal Funds.....	2,077	2,461	1,953
Subtotal - Augmentations.....	17	20	20
Total - General Government.....	\$ 10,915	\$ 10,711	\$ 10,563
STATE FUNDS.....	\$ 8,821	\$ 8,230	\$ 8,590
FEDERAL FUNDS.....	2,077	2,461	1,953
AUGMENTATIONS.....	17	20	20
<b>BOAT FUND TOTAL.....</b>	<b>\$ 10,915</b>	<b>\$ 10,711</b>	<b>\$ 10,563</b>
<b>FISH FUND:</b>			
<i>General Government:</i>			
General Operations (EA).....	\$ 25,096	\$ 24,522	\$ 27,342
(F)Sport Fish Restoration.....	5,087	5,138	5,106
(F)Surface Mine Regulation.....	44	40	40
(F)NOAA.....	282	668	611
(F)USFWS - Partner for Fish & Wildlife.....	0	10	10
(A)Sale of Vehicles.....	53	50	50
(A)Reimbursement for Services - Boat Fund.....	0 <sup>a</sup>	0 <sup>a</sup>	0 <sup>a</sup>
(A)Reimbursement - DEP/EPA Projects.....	42	80	80
(A)Reimbursement for Services - PennDOT.....	57	50	50
(A)Reimbursement - Wild Resource Conservation Fund.....	0	13	0
(A)Reimbursement - Shad Restoration.....	205	230	0
(A)PennDot Endangered/Threatened Species.....	0	50	50
(A)PennDot Environmental Assessment.....	0	89	89
(A)Purchasing Card Rebate.....	5	8	8
Subtotal - State Funds.....	\$ 25,096	\$ 24,522	\$ 27,342
Subtotal - Federal Funds.....	5,413	5,856	5,767
Subtotal - Augmentations.....	362	570	327
Total - General Government.....	\$ 30,871	\$ 30,948	\$ 33,436
STATE FUNDS.....	\$ 25,096	\$ 24,522	\$ 27,342
FEDERAL FUNDS.....	5,413	5,856	5,767
AUGMENTATIONS.....	362	570	327
<b>FISH FUND TOTAL.....</b>	<b>\$ 30,871</b>	<b>\$ 30,948</b>	<b>\$ 33,436</b>



# Fish and Boat Commission

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
<b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</b>			
<i>General Government:</i>			
Fishing and Boating Access Areas(EA).....	\$ 742	\$ 0	\$ 0
<b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL.....</b>	<b>\$ 742</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 808	\$ 10	\$ 11
SPECIAL FUNDS.....	34,659	32,752	35,932
FEDERAL FUNDS.....	7,490	8,317	7,720
AUGMENTATIONS.....	379	590	347
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 43,336</b>	<b>\$ 41,669</b>	<b>\$ 44,010</b>

<sup>a</sup> Not added to the total to avoid double counting: 1998-99 Actual is \$10,915,000, 1999-2000 Available is \$10,711,000, and 2000-01 Budget is \$10,563,000.



## Program Funding Summary

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>RECREATIONAL FISHING AND BOATING</b>							
GENERAL FUND.....	\$ 808	\$ 10	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11
SPECIAL FUNDS.....	34,659	32,752	35,932	36,378	37,086	37,809	38,546
FEDERAL FUNDS.....	7,490	8,317	7,720	7,720	7,720	7,720	7,720
OTHER FUNDS.....	379	590	347	353	357	360	360
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 43,336</b>	<b>\$ 41,669</b>	<b>\$ 44,010</b>	<b>\$ 44,462</b>	<b>\$ 45,174</b>	<b>\$ 45,900</b>	<b>\$ 46,637</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 808	\$ 10	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11
SPECIAL FUNDS.....	34,659	32,752	35,932	36,378	37,086	37,809	38,546
FEDERAL FUNDS.....	7,490	8,317	7,720	7,720	7,720	7,720	7,720
OTHER FUNDS.....	379	590	347	353	357	360	360
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 43,336</b>	<b>\$ 41,669</b>	<b>\$ 44,010</b>	<b>\$ 44,462</b>	<b>\$ 45,174</b>	<b>\$ 45,900</b>	<b>\$ 46,637</b>





# 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's goals are to protect, conserve and enhance aquatic resources by monitoring the water quality of many streams, lakes and rivers in the Commonwealth.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Fishing licenses sold .....	978,925	1,008,962	993,323	1,003,270	1,013,345	1,023,510	1,033,739
Pounds of fish stocked in Commonwealth streams and lakes .....	2,846,259	2,680,000	2,680,000	2,680,000	2,680,000	2,680,000	2,680,000
Boats registered .....	348,398	345,000	348,000	352,000	355,000	359,000	326,000
Warnings issued for violations of fishing and boating laws .....	39,943	42,000	42,000	42,000	42,000	42,000	42,000
Convictions for violations of fishing and boating laws .....	9,816	11,000	11,000	11,000	11,000	11,000	11,000

Pounds of fish stocked in Commonwealth streams and lakes are dependant on fish mortality in Pennsylvania's hatcheries.

Actual Convictions for violations of fishing and boating laws in 1998-99 were less than projected in last year's budget.

### **Program Recommendations:** This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUNDS		FISH FUND
<b>Atlantic States Marine Fisheries Commission</b>		<b>General Operations (EA)</b>
1 —to continue current level of participation.	\$ 971	—to continue current programs.
		250 —Initiative — Electronic Commerce — For the purchase of fishing licenses, boat registrations, renewals and retail sales items via the Internet.
<b>BOAT FUND</b>		340 —to maintain and operate new headquarters building.
<b>General Operations (EA)</b>		2,590 —for projects on fish culture stations and other Commission land and buildings.
\$ 964 —to continue current program.		-273 —nonrecurring waterways conservation officer training class.
112 —to maintain and operate new headquarters building.		-1,058 —nonrecurring projects on Commission land and buildings.
200 —for projects on marinas and other Commission land and buildings.		
-182 —nonrecurring waterways conservation officer training class.	\$ 2,820	<i>Appropriation Increase</i>
-734 —nonrecurring projects on Commission land and buildings.		
<hr/>		
\$ 360 <i>Appropriation Increase</i>		

Fishing and Boating Access Areas funded by the Keystone Recreation, Park and Conservation Fund will continue until the amount allotted by law is completely committed.



# Fish and Boat Commission

## Program: Recreational Fishing and Boating (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Repayment for Free Fishing Licenses .....	\$ 798	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Atlantic States Marine Fisheries Commission .....	10	10	11	11	11	11	11
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 808</b>	<b>\$ 10</b>	<b>\$ 11</b>	<b>\$ 11</b>	<b>\$ 11</b>	<b>\$ 11</b>	<b>\$ 11</b>
<b>BOAT FUND:</b>							
General Operations (EA) .....	\$ 8,821	\$ 8,230	\$ 8,590	\$ 8,758	\$ 8,928	\$ 9,102	\$ 9,279
<b>FISH FUND:</b>							
General Operations (EA) .....	\$ 25,096	\$ 24,522	\$ 27,342	\$ 27,620	\$ 28,158	\$ 28,707	\$ 29,267
<b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</b>							
Fishing and Boating Access Areas (EA) .....	\$ 742	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0





---

# GAME COMMISSION

*The mission of the Game Commission is to protect, conserve and manage the diversity of wildlife and their habitats, provide wildlife related education and recreational opportunities for both consumptive and non-consumptive uses of wildlife, and maintain and promote Pennsylvania's hunting and trapping heritage.*



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99	1999-00	2000-01
	ACTUAL	AVAILABLE	BUDGET
<b>GAME FUND:</b>			
<i>General Government:</i>			
General Operations(EA).....	\$ 47,546	\$ 48,237	\$ 46,471
(F)Pittman-Robinson Act Reimbursements.....	7,284	7,500	7,200
(F)Endangered Species.....	24	48	8
(F)Surface Mine Regulatory Program.....	47	46	46
(F)1996 Flood Reimbursement.....	4	0	0
(F)Harvest Information Program.....	(37)	13	0
(A)Sale of Vehicles.....	234	250	250
(A)Pennsylvania Conservation Corps.....	173	216	100
(A)Donations.....	95	10	10
(A)Youth Shooting Sports.....	4	5	5
(A)Stream Bank Fencing.....	54	0	0
(A)Becoming an Outdoors Woman.....	17	15	15
(A)Transportation Reimbursement - Elk Lick Project.....	9	0	0
(A)Transportation Reimbursement - Animal Removal.....	117	200	150
(A)Purchasing Card Rebate.....	4	2	2
(R)Resident License Fee-Natural Propagation of Wildlife.....	1,202	1,236	1,236
(R)Antlerless Deer License-Natural Propagation of Wildlife.....	1,491	1,638	1,638
(R)Resident/Nonresident License Fees-Natl Propagation of Game.....	0	3,108	3,108
Subtotal.....	<u>\$ 58,268</u>	<u>\$ 62,524</u>	<u>\$ 60,239</u>
Land Acquisition and Development(EA).....	<u>0</u>	<u>2,000</u>	<u>2,500</u>
Subtotal.....	<u>\$ 0</u>	<u>\$ 2,000</u>	<u>\$ 2,500</u>
Subtotal - State Funds.....	\$ 47,546	\$ 50,237	\$ 48,971
Subtotal - Federal Funds.....	7,322	7,607	7,254
Subtotal - Augmentations.....	707	698	532
Subtotal - Restricted Revenues.....	2,693	5,982	5,982
Total - General Government.....	<u>\$ 58,268</u>	<u>\$ 64,524</u>	<u>\$ 62,739</u>
STATE FUNDS.....	\$ 47,546	\$ 50,237	\$ 48,971
FEDERAL FUNDS.....	7,322	7,607	7,254
AUGMENTATIONS.....	707	698	532
RESTRICTED REVENUES.....	2,693	5,982	5,982
<b>GAME FUND TOTAL.....</b>	<u><b>\$ 58,268</b></u>	<u><b>\$ 64,524</b></u>	<u><b>\$ 62,739</b></u>
<b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</b>			
<i>General Government:</i>			
Land Acquisition and Development - Bond Proceeds(EA).....	\$ 0	\$ 19	\$ 0
<b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL.....</b>	<u><b>\$ 0</b></u>	<u><b>\$ 19</b></u>	<u><b>\$ 0</b></u>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	47,546	50,256	48,971
FEDERAL FUNDS.....	7,322	7,607	7,254
AUGMENTATIONS.....	707	698	532
RESTRICTED.....	2,693	5,982	5,982
<b>TOTAL ALL FUNDS.....</b>	<u><b>\$ 58,268</b></u>	<u><b>\$ 64,543</b></u>	<u><b>\$ 62,739</b></u>



## Program Funding Summary

	(Dollar Amounts in Thousands)						
	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>WILDLIFE MANAGEMENT</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	47,546	50,256	48,971	49,695	50,689	51,703	52,737
FEDERAL FUNDS.....	7,322	7,607	7,254	7,254	7,254	7,254	7,254
OTHER FUNDS.....	3,400	6,680	6,514	6,634	6,755	6,880	7,007
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 58,268</b>	<b>\$ 64,543</b>	<b>\$ 62,739</b>	<b>\$ 63,583</b>	<b>\$ 64,698</b>	<b>\$ 65,837</b>	<b>\$ 66,998</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	47,546	50,256	48,971	49,695	50,689	51,703	52,737
FEDERAL FUNDS.....	7,322	7,607	7,254	7,254	7,254	7,254	7,254
OTHER FUNDS.....	3,400	6,680	6,514	6,634	6,755	6,880	7,007
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 58,268</b>	<b>\$ 64,543</b>	<b>\$ 62,739</b>	<b>\$ 63,583</b>	<b>\$ 64,698</b>	<b>\$ 65,837</b>	<b>\$ 66,998</b>



**PROGRAM OBJECTIVE:** To establish habitats and environments which will sustain wildlife populations for recreational uses and for the perpetuation of species.

## Program: Wildlife Management

The main responsibility of the Game Commission is the perpetuation of the species of wildlife found in Pennsylvania. The commission achieves its mission through management of game habitat, operation of programs for endangered and threatened species, and enforcement of the Game and Wildlife Code.

The primary means of ensuring the propagation and preservation of wildlife is properly managed land and game habitat. The commission currently administers over 1.36 million acres of State Game Lands, and is judiciously acquiring additional lands, focusing on critically important wetlands. The commission also operates cooperative programs to encourage good land use management and habitat improvement by private landowners. The Wildlife Habitat Assessment and Management system is used by the commission as a process for assessing existing wildlife habitat conditions and developing management plans. This process is applied to all Pennsylvania State Game Lands, Farm Game Projects and other areas actively managed by the Game Commission.

All species receive mandated protection. However, those species considered game animals, such as deer, turkey and bear, receive the most attention. The number of deer licenses available for sale is based on the doe population. The optimal number of deer is based on acres of forested land in the Commonwealth. Hunting, while recreational in nature, is a management tool as well. Future year projection numbers indicate the number of deer needed to be harvested to sustain the population. Also protected by the commission are endangered and threatened species such as river otters, osprey, peregrine falcons, and bald and golden eagles. The expanded ten hour comprehensive Hunter-Trapper Education program is annually presented to over 43,000 first-time hunters and trappers.

Wildlife conservation officers enforce the provisions of the Game and Wildlife Code to protect the natural balance of the Commonwealth's wildlife population.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Hunting licenses sold .....	961,662	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Deer taken .....	377,489	350,000	350,000	350,000	350,000	350,000	350,000
Arrests for violation of game laws .....	6,778	9,000	9,000	9,000	9,000	9,000	9,000

Actual arrests for violation of game laws in 1998-99 were less than projected in last year's budget.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<b>GAME FUND</b>		<b>Land Acquisition and Development (EA)</b>	
<b>General Operations (EA)</b>		\$	500
\$	250		—to acquire additional land.
	226		
	500		
	970		
	371		
	-2,392		
	-1,691		
\$	-1,766		

Land acquisitions funded by the Keystone Recreation, Park and Conservation Fund will continue until the amount allotted by law is completely committed.



# Game Commission

## Program: Wildlife Management (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GAME FUND:</b>							
General Operations(EA) .....	\$ 47,546	\$ 48,237	\$ 46,471	\$ 47,145	\$ 48,088	\$ 49,050	\$ 50,031
Land Acquisition and Development(EA) .....	0	2,000	2,500	2,550	2,601	2,653	2,706
<b>TOTAL GAME FUND .....</b>	<b>\$ 47,546</b>	<b>\$ 50,237</b>	<b>\$ 48,971</b>	<b>\$ 49,695</b>	<b>\$ 50,689</b>	<b>\$ 51,703</b>	<b>\$ 52,737</b>
<b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</b>							
Land Acquisition and Development – Bond Proceeds (EA) .....	\$ 0	\$ 19	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0





---

# DEPARTMENT OF GENERAL SERVICES

*The mission of the Department of General Services is to provide the highest quality services, support, commodities, and facilities based on customer needs and best value for the expended public dollar. The Department strives to improve operational efficiency, reduce costs and burdens of doing business, and expand government contracting opportunities, while ensuring integrity and accountability in operations and activities.*

The Department of General Services administers the leasing, purchasing, transportation, construction, repair and maintenance services for all agencies of the Commonwealth.





## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
General Government Operations.....	\$ 57,477	\$ 59,200	\$ 61,899
(A)Employee Group Life Insurance.....	60	0	0
(A)Federal Surplus Property.....	946	1,138	1,220
(A)State Buildings Use.....	1,593	1,791	1,814
(A)Sound Equipment.....	18	38	38
(A)Employee Liability Self Insurance Program.....	74	69	69
(A)Newsroom Services.....	10	15	15
(A)Computer Services.....	100	100	100
(A)Plans Forfeiture.....	60	57	57
(A)Media Center Reimbursements.....	1,684	3,100	2,400
(A)Recycling Program.....	660	773	575
(A)Services Provided Other Agencies.....	150	55	0
(A)Purchasing Seminar.....	186	200	190
(A)Lottery Annuity Administration Services.....	3	0	0
Information Systems Acquisition.....	0	3,600	1,200
Subtotal.....	\$ 63,021	\$ 70,136	\$ 69,577
Capitol Police Operations.....	6,490	6,722	7,357
(A)Capitol Police Services.....	37	37	33
Harristown Rental Charges.....	6,580	6,662	6,661
Utility Costs.....	13,119	11,583	14,649
Harristown Utility and Municipal Charges.....	9,790	10,109	10,157
Printing the Pennsylvania Manual.....	191	0	197
Asbestos Response.....	450	450	450
Excess Insurance Coverage.....	1,725	1,925	1,783
Capital Project Leasing.....	739	547	505
Subtotal - State Funds.....	\$ 96,561	\$ 100,798	\$ 104,858
Subtotal - Augmentations.....	5,581	7,373	6,511
Total - General Government.....	\$ 102,142	\$ 108,171	\$ 111,369
<i>Grants and Subsidies:</i>			
Capitol Fire Protection.....	\$ 900	\$ 990	\$ 990
STATE FUNDS.....	\$ 97,461	\$ 101,788	\$ 105,848
AUGMENTATIONS.....	5,581	7,373	6,511
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 103,042</b>	<b>\$ 109,161</b>	<b>\$ 112,359</b>
<b>BANKING DEPARTMENT FUND:</b>			
<i>General Government:</i>			
Harristown Rental Charges.....	\$ 139	\$ 140	\$ 140
Harristown Utility And Municipal Charges.....	184	185	202
Total - General Government.....	\$ 323	\$ 325	\$ 342
<b>BANKING DEPARTMENT FUND TOTAL.....</b>	<b>\$ 323</b>	<b>\$ 325</b>	<b>\$ 342</b>
<b>LOTTERY FUND:</b>			
<i>General Government:</i>			
Harristown Rental Charges (EA).....	\$ 75	\$ 0	\$ 0
Harristown Utility And Municipal Charges (EA).....	121	0	0
Total - General Government.....	\$ 196	\$ 0	\$ 0



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
LOTTERY FUND TOTAL.....	\$ 196	\$ 0	\$ 0
<b>MOTOR LICENSE FUND:</b>			
<i>General Government:</i>			
Harristown Rental Charges (EA).....	\$ 101	\$ 95	\$ 95
Harristown Utility and Municipal Charges (EA).....	163	157	150
Total - General Government.....	\$ 264	\$ 252	\$ 245
<i>Grants and Subsidies:</i>			
Tort Claims Payments.....	\$ 20,000	\$ 20,000	\$ 20,000
MOTOR LICENSE FUND TOTAL.....	\$ 20,264	\$ 20,252	\$ 20,245
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 97,461	\$ 101,788	\$ 105,848
SPECIAL FUNDS.....	20,783	20,577	20,587
AUGMENTATIONS.....	5,581	7,373	6,511
TOTAL ALL FUNDS.....	\$ 123,825	\$ 129,738	\$ 132,946



**Program Funding Summary**

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>FACILITY, PROPERTY AND COMMODITY MANAGEMENT</b>							
GENERAL FUND.....	\$ 97,461	\$ 101,788	\$ 105,848	\$ 107,720	\$ 108,834	\$ 110,782	\$ 113,189
SPECIAL FUNDS.....	20,783	20,577	20,587	20,599	20,611	20,623	20,635
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	5,581	7,373	6,511	6,641	6,774	6,909	7,047
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 123,825</b>	<b>\$ 129,738</b>	<b>\$ 132,946</b>	<b>\$ 134,960</b>	<b>\$ 136,219</b>	<b>\$ 138,314</b>	<b>\$ 140,871</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 97,461	\$ 101,788	\$ 105,848	\$ 107,720	\$ 108,834	\$ 110,782	\$ 113,189
SPECIAL FUNDS.....	20,783	20,577	20,587	20,599	20,611	20,623	20,635
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	5,581	7,373	6,511	6,641	6,774	6,909	7,047
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 123,825</b>	<b>\$ 129,738</b>	<b>\$ 132,946</b>	<b>\$ 134,960</b>	<b>\$ 136,219</b>	<b>\$ 138,314</b>	<b>\$ 140,871</b>



*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 25 State-owned buildings of the Capitol complex and Harrisstown; five regional State office buildings in Pittsburgh, Philadelphia, Scranton, Hazelton and Reading and two executive residences. These facilities contain nearly 5.9 million square feet of office space, with 115 acres of related grounds, parking areas and roadways. The department also manages the acquisition and utilization of space and facilities by State agencies totaling 10.3 million square feet for 1,365 leases, with annual rental costs exceeding \$112 million and provides agencies with commodities that conform to accepted standards of quality. This program is 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.

Police and security services are provided within the Capitol Complex and related buildings as well as for the regional State office buildings.

Act 57 of 1998 amended Title 62, the Procurement Code, by codifying Commonwealth procurement policies and practices into a single, all-inclusive Commonwealth Procurement Code. The Procurement Code centralizes the policy-making and procurement activities for supplies, goods, commodities and services within the Department of General Services. Through this program the department establishes and administers 293 Statewide contracts and processes purchase requests for items not covered under Statewide contracts. Transactions represent over \$610 million in expenditures by Commonwealth agencies.

The department handles tort claims, in conjunction with the Attorney General's Office, brought against the Commonwealth, its officials and employees. Act 151 of 1986 reaffirmed the Commonwealth's use of sovereign immunity as a defense against tort claims, but established criteria for limited amounts of liability in nine specific areas: vehicle liability; medical professional liability; personal property; Commonwealth real estate; potholes and other dangerous conditions; care, custody and control of domestic animals; liquor store sales; National Guard activities; and toxoids and vaccines. The department investigates claims in the pre-litigation stage, while the Office of Attorney General defends those claims in litigation. This program is

responsible for the Commonwealth's Liability Self-Insurance Programs. Claims are a result of damages incurred because of a willful act or an act of negligence by employees of departments, boards or commissions. Coverage is provided for 23,400 Commonwealth vehicles (including construction trucks and trailers) that travel 280 million miles annually. Excess liability coverage is extended for employees using personal vehicles on Commonwealth business.

This program funds the ongoing assessment of the asbestos danger in Commonwealth-owned buildings. In locations where asbestos is present, the assessment allows the hazard potential to be calculated and abatement costs estimated.

This program provides funding to purchase catastrophic property insurance on Commonwealth-owned buildings.

The "Piggy Back Purchases Program" assists 1,700 local municipalities to utilize more than 240 state contracts.

The Commonwealth Agency Recycling Office assists agencies in collecting more than 4,190 tons of paper, generating \$100,843 in revenue and saving \$209,500 in disposal costs during 1999-2000. Collection of other types of recyclable materials generated additional income of \$336,933.

Commonwealth Media Services provides high quality, cost-effective, creative audio-video, photographic and media services required by State agencies. Services are available on a continuous basis in the event of emergencies. News conferencing facilities are maintained for more than 150 events at the Capitol Media Center. In addition, a full range of creative audio-video services are incorporated into the production of 200 documentary, educational, promotional, training and public service programs.

This program administers the Federal and State surplus property programs. The property is sold to State agencies, local municipalities, not-for-profit organizations and law enforcement entities for a nominal service charge. During 1998-99, property originally valued at \$39 million was distributed to eligible organizations. Through the Shelter Share Program, the bureau donated \$1 million in clothing, beds, blankets, and medical equipment and supplies to needy citizens. Disposal of unneeded items generated nearly \$2.5 million in revenue in 1998-99.



## Program: Facility, Property and Commodity Management (continued)

Program Measures:	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Surplus property distributed (in thousands): .....	\$32,600	\$32,000	\$28,000	\$28,000	\$28,000	\$28,000	\$28,000
Capital facilities projects in design and/or construction .....	428	422	475	475	475	475	475
Value (in thousands) .....	\$1,875,889	\$1,657,000	\$2,100,000	\$2,100,000	\$1,900,000	\$1,900,000	\$1,900,000
Tort claims filed .....	11,501	11,846	11,609	11,377	11,832	12,305	12,674
Tort claims closed (includes settlements, judgements and denials) .....	8,793	8,101	10,125	10,530	10,951	11,387	11,845
Tort claims pending .....	10,241	13,986	15,470	16,317	17,198	18,116	18,946
Amount of claims pending (in thousands) .....	\$223,076	\$230,883	\$218,614	\$226,266	\$234,185	\$242,382	\$250,865

Tort claims filed, closed and pending has changed from the presentation in last year's budget because an unexpected increase in claims has occurred; primarily involving highway maintenance and other liabilities.

### Program Recommendation:

 This budget recommends the following changes: (Dollar Amounts in Thousands)

\$	1,646	<b>General Government Operations</b> — for maintenance and operation of the new Keystone Building. 700 — for restoration of Governor's Residence. -1,518 — nonrecurring equipment purchases. 408 — for radio system equipment. 592 — to provide digital equipment and technology to improve productivity and enhance Commonwealth Media Services. 871 — to continue current program.	\$	-1	<b>Harristown Rental Charges</b> — to provide pro rata share of charges.
					<b>Utility Costs</b> — for the new Keystone Building. — to continue current program.
					\$ 3,066
					<i>Appropriation Increase</i>
					<b>Harristown Utility and Municipal Charges</b> — to provide pro rata share of charges.
\$	2,699	<i>Appropriation Increase</i>	\$	48	<b>Printing the Pennsylvania Manual</b> — biennial printing cost.
					<b>Excess Insurance Coverage</b> — decrease in insurance premium.
					<b>Capitol Project Leasing</b> — nonrecurring project.
					\$ 197
					\$ -142
					\$ -42
					<b>BANKING DEPARTMENT FUND</b> <b>Harristown Utility and Municipal Charges</b> — to provide pro rata share of charges.
					<b>MOTOR LICENSE FUND</b> <b>Harristown Utility and Municipal Charges</b> — to provide pro rata share of charges.
\$	-3,600	<b>Information Systems Acquisition</b> — nonrecurring Procurement Processing system and claims management system for the Bureau of Risk and Insurance Management. 1,000 — for a construction management system. 200 — for a bar coding system.	\$	-2,400	<i>Appropriation Decrease</i>
					\$ 635
					\$ -7

All other programs are continued at the current level.



**Program: Facility, Property and Commodity Management (continued)**

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 57,477	\$ 59,200	\$ 61,899	\$ 63,137	\$ 64,399	\$ 65,687	\$ 67,001
Information Systems Acquisition .....	0	3,600	1,200	1,200	0	0	0
Capitol Police Operations .....	6,490	6,722	7,357	7,504	7,654	7,807	7,963
Harristown Rental Charges .....	6,580	6,662	6,661	6,794	6,930	7,069	7,210
Utility Costs .....	13,119	11,583	14,649	14,942	15,241	15,546	15,857
Harristown Utility and Municipal Charges ..	9,790	10,109	10,157	10,360	10,567	10,778	10,994
Printing the Pennsylvania Manual .....	191	0	197	0	205	0	210
Asbestos Response .....	450	450	450	459	468	477	487
Excess Insurance Coverage .....	1,725	1,925	1,783	1,819	1,855	1,892	1,930
Capitol Project Leasing .....	739	547	505	515	525	536	547
Capitol Fire Protection .....	900	990	990	990	990	990	990
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 97,461</b>	<b>\$ 101,788</b>	<b>\$ 105,848</b>	<b>\$ 107,720</b>	<b>\$ 108,834</b>	<b>\$ 110,782</b>	<b>\$ 113,189</b>
<b>BANKING DEPARTMENT FUND:</b>							
Harristown Rental Charges .....	\$ 139	\$ 140	\$ 140	\$ 143	\$ 146	\$ 149	\$ 152
Harristown Utility and Municipal Charges ..	184	185	202	206	210	214	218
<b>TOTAL BANKING DEPARTMENT FUND .....</b>	<b>\$ 323</b>	<b>\$ 325</b>	<b>\$ 342</b>	<b>\$ 349</b>	<b>\$ 356</b>	<b>\$ 363</b>	<b>\$ 370</b>
<b>LOTTERY FUND:</b>							
Harristown Rental Charges (EA) .....	\$ 75	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Harristown Utility And Municipal Charges (EA) .....	121	0	0	0	0	0	0
<b>TOTAL STATE LOTTERY FUND .....</b>	<b>\$ 196</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>MOTOR LICENSE FUND:</b>							
Harristown Rental Charges (EA) .....	\$ 101	\$ 95	\$ 95	\$ 97	\$ 99	\$ 101	\$ 103
Harristown Utility And Municipal Charges (EA) .....	163	157	150	153	156	159	162
Tort Claims Payments .....	20,000	20,000	20,000	20,000	20,000	20,000	20,000
<b>TOTAL MOTOR LICENSE FUND .....</b>	<b>\$ 20,264</b>	<b>\$ 20,252</b>	<b>\$ 20,245</b>	<b>\$ 20,250</b>	<b>\$ 20,255</b>	<b>\$ 20,260</b>	<b>\$ 20,265</b>





---

# DEPARTMENT OF HEALTH

*The mission of the Department of Health is identified through its slogan, "...in pursuit of good health," and all of its activities are defined by its core functions: health needs assessment, resource development, assuring access to health care, promoting health and disease prevention, assuring quality, and providing leadership in the area of health planning and policy development.*

The Department of Health protects and enhances the health of all Pennsylvanians by identifying significant health threats and providing leadership in the development and implementation of policy.

The Department works in active partnership with providers and consumers of health care services to assess, analyze, and report on health threats; promote healthy behavior; reduce illness, injury, disability, and premature death; and assure the quality and availability of health care services.

---



**Summary by Fund and Appropriation**

(Dollar Amounts in Thousands)

1998-99                      1999-00                      2000-01  
 ACTUAL                      AVAILABLE                      BUDGET

**GENERAL FUND:**

**General Government:**

<b>General Government Operations.....</b>	<b>\$ 20,110</b>	<b>\$ 24,250<sup>a</sup></b>	<b>\$ 27,921</b>
(F)WIC Administration and Operation.....	8,679	9,897	9,904
(F)Health Assessment.....	428	503	503
(F)PHHSBG - Administration and Operation.....	3,218	4,366	4,181
(F)SABG - Administration and Operation.....	4,471	4,798	5,254
(F)MCHSBG - Administration and Operation.....	12,616	13,207	13,520
(F)Center for Disease Control Conferences.....	3	63	63
(F)Pediatric Prehospital Emergency Care.....	143	360	384
(F)TB - Administration and Operation.....	488	657	723
(F)Lead - Administration and Operation.....	377	1,057	1,146
(F)AIDS Health Education - Administration and Operation.....	2,313	1,984	2,009
(F)Community Migrant Health.....	141	265	289
(F)Tobacco Control.....	806	1,703	1,700
(F)Breast and Cervical Cancer - Administration and Operation.....	677	895	850
(F)HIV / AIDS Surveillance.....	0	763	1,170
(F)HIV Care - Administration and Operation.....	360	918	739
(F)Tobacco Regulation Enforcement.....	160	1,000	400
(F)Smoke Alarm Intervention Program.....	86	225	200
(F)Arthritis.....	0	225	0
(F)Emergency Medical Services System Assessment.....	0	40	20
(A)Data Center Services.....	3,120	3,596	200
(A)Departmental Services.....	32	25	20
(A)Robert Wood Johnson Foundation Grant.....	348	0	0
Subtotal.....	<u>\$ 58,576</u>	<u>\$ 70,797</u>	<u>\$ 71,196</u>
<b>Organ Donation.....</b>	<b>120</b>	<b>120</b>	<b>120</b>
<b>Diabetes Programs.....</b>	<b>461</b>	<b>461</b>	<b>461</b>
(F)Diabetes Control.....	269	514	541
Subtotal.....	<u>\$ 730</u>	<u>\$ 975</u>	<u>\$ 1,002</u>
<b>Quality Assurance.....</b>	<b>8,832</b>	<b>9,098</b>	<b>12,878</b>
(F)Medicare - Health Service Agency Certification.....	5,895	5,624 <sup>b</sup>	7,392
(F)Medicaid Certification.....	5,144	5,700 <sup>c</sup>	7,200
(A)Publication Fees.....	6	10	10
Subtotal.....	<u>\$ 19,877</u>	<u>\$ 20,432</u>	<u>\$ 27,480</u>
<b>Vital Statistics.....</b>	<b>5,614</b>	<b>5,846</b>	<b>5,978</b>
(F)Cooperative Health Statistics.....	677	1,145	1,145
(F)Health Statistics.....	551	855	831
(A)Reimbursement for Microfilming.....	67	50	50
(A)Vital-Chek Surcharge.....	184	190	190
Subtotal.....	<u>\$ 7,093</u>	<u>\$ 8,086</u>	<u>\$ 8,194</u>
<b>State Laboratory.....</b>	<b>3,257</b>	<b>3,969<sup>d</sup></b>	<b>4,129</b>
(F)Clinical Laboratory Improvement.....	757	951	895
(F)Epidemiology and Laboratory Surveillance and Response.....	96	323	323
(F)Emerging Infections Program.....	0	500	0
(F)Bio-Terrorism Preparedness.....	0	168 <sup>e</sup>	2,000
(A)Blood Lead Testing.....	16	16	16
(A)Blood Lead Specimen Testing.....	20	19	19
(A)Erythrocyte Protoporphyrin Testing.....	8	8	8
(A)Reproduction and Search Fees.....	1	1	1
(A)Alcohol Proficiency Testing.....	63	63	63
(A)Drug Abuse Proficiency.....	129	128	128
(A)Licensure for Clinical Laboratories.....	305	304	304
(A)Low Volume Proficiency Testing.....	67	67	67
(A)Training Course Fees.....	10	10	10
(A)AIDS Special Pharmaceutical Services.....	91	0	0





**Summary by Fund and Appropriation**

(Dollar Amounts in Thousands)

	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
(A)CD4 Testing.....	45	45	45
(A)DUI Testing.....	0	10	10
(A)Orasure Testing.....	28	28	28
Subtotal.....	\$ 4,893	\$ 6,610	\$ 8,046
<b>Community Health Systems.....</b>	<b>16,084</b>	<b>16,965</b>	<b>18,335</b>
(F)Refugee Health Services.....	58	70	0
(F)Disease Control Immunization.....	8,166	7,505	7,500
(F)PHHSBG - Block Program Services.....	5,638	5,050	4,983
(A)Departmental Services.....	0	4	0
Subtotal.....	\$ 29,946	\$ 29,594	\$ 30,818
<b>Coal Workers' Respiratory Diseases.....</b>	<b>200</b>	<b>200</b>	<b>200</b>
(F)Black Lung Clinic.....	443	751	650
Subtotal.....	\$ 643	\$ 951	\$ 850
<b>Sexually Transmitted Disease Screening and Treatment.....</b>	<b>1,127</b>	<b>1,177</b>	<b>1,177</b>
(F)Survey and Follow-Up - Sexually Transmitted Diseases.....	2,799	3,504	3,375
Subtotal.....	\$ 3,926	\$ 4,681	\$ 4,552
Subtotal - State Funds.....	\$ 55,805	\$ 62,086	\$ 71,199
Subtotal - Federal Funds.....	65,459	75,586	79,890
Subtotal - Augmentations.....	4,540	4,574	1,169
Total - General Government.....	\$ 125,804	\$ 142,246	\$ 152,258
<b>Grants and Subsidies:</b>			
<b>Newborn Screening.....</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 4,000</b>
<b>Primary Health Care Practitioner.....</b>	<b>3,140</b>	<b>3,160</b>	<b>4,598</b>
(F)Loan Repayment Program.....	234	445	380
Subtotal.....	\$ 3,374	\$ 3,605	\$ 4,978
<b>Cancer Programs.....</b>	<b>3,595</b>	<b>3,595</b>	<b>3,595</b>
(F)Breast and Cervical Cancer Program.....	2,476	3,276	2,392
(F)Comprehensive Cancer Control Program.....	0	309	0
Subtotal.....	\$ 6,071	\$ 7,180	\$ 5,987
<b>AIDS Programs.....</b>	<b>6,528</b>	<b>6,528</b>	<b>6,528</b>
(F)AIDS Health Education.....	2,843	3,641	3,387
(F)HIV Care.....	6,535	8,556	8,943
(F)Housing Opportunities for People with AIDS.....	1,139	1,400	1,500
(F)HIV / AIDS Demonstration Projects.....	0	0	1,487
Subtotal.....	\$ 17,045	\$ 20,125	\$ 21,845
<b>Regional Cancer Institutes.....</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>
<b>School District Health Services.....</b>	<b>39,867</b>	<b>40,464</b>	<b>40,464</b>
<b>Local Health Departments.....</b>	<b>26,313</b>	<b>26,836</b>	<b>26,147</b>
<b>Local Health - Environmental.....</b>	<b>7,295</b>	<b>7,354</b>	<b>7,305</b>
<b>Maternal and Child Health.....</b>	<b>3,465</b>	<b>3,905</b>	<b>3,905</b>
(F)MCH Lead Poisoning Prevention and Abatement.....	3,731	4,505	3,681
(F)MCHSBG - Program Services.....	12,820	14,978	15,302
(F)Women, Infants and Children (WIC).....	133,968	153,738	155,848
(F)Abstinence Education.....	2,112	3,185	3,640
(F)Environmental Assessment - Child Lead Poisoning.....	97	301	389
(F)Neural Tube Defects Surveillance.....	0	150	0
(F)Birth Defects Registry.....	183	72	175
(F)Screening Newborns.....	43	161	97
(F)Medicaid Outreach.....	0	2,580	1,523
(F)Children's Health Insurance Program (CHIP).....	0	2,981	3,120
(F)Child Abuse Prevention.....	0	184	266
(A)Environmental Assessments.....	47	0	0



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
(A)Departmental Services.....	1,513	2,788	1,638
Subtotal.....	\$ 157,979	\$ 189,528	\$ 189,584
<b>Assistance to Drug and Alcohol Programs.....</b>	<b>37,255</b>	<b>38,173</b>	<b>39,289</b>
(F)SABG - Drug and Alcohol Services.....	49,359	53,536	53,534
(F)Substance Abuse Program Support Service Grants.....	868	0	0
(F)Substance Abuse Special Project Grants.....	381	647	355
(F)DFSC - Special Programs for Student Assistance.....	1,125	1,125	1,125
(F)DCSI - Adult Offender Treatment.....	110	422	930
(A)State Stores Fund Transfer.....	1,478	1,485	1,317
Subtotal.....	\$ 90,576	\$ 95,388	\$ 96,550
<b>Tuberculosis Screening and Treatment.....</b>	<b>1,009</b>	<b>1,009</b>	<b>1,009</b>
(F)Tuberculosis Control Program.....	159	220	220
Subtotal.....	\$ 1,168	\$ 1,229	\$ 1,229
<b>Renal Dialysis.....</b>	<b>9,255</b>	<b>8,255</b>	<b>8,255</b>
<b>Services for Children with Special Needs.....</b>	<b>1,732</b>	<b>1,732</b>	<b>1,732</b>
<b>Adult Cystic Fibrosis.....</b>	<b>391</b>	<b>721</b>	<b>721</b>
<b>Cooley's Anemia.....</b>	<b>198</b>	<b>198</b>	<b>198</b>
<b>Hemophilia.....</b>	<b>1,594</b>	<b>1,594</b>	<b>1,594</b>
<b>Sickle Cell.....</b>	<b>1,503</b>	<b>1,503</b>	<b>1,503</b>
<b>Hepatitis Screening and Prevention.....</b>	<b>300</b>	<b>300</b>	<b>300</b>
<b>Regional Poison Control Centers.....</b>	<b>1,250</b>	<b>1,750</b>	<b>1,750</b>
<b>Trauma Programs Coordination.....</b>	<b>250</b>	<b>275</b>	<b>275</b>
<b>Trauma Systems.....</b>	<b>125</b>	<b>200</b>	<b>200</b>
<b>Epilepsy Support Services.....</b>	<b>450</b>	<b>450</b>	<b>450</b>
<b>Keystone State Games.....</b>	<b>220</b>	<b>220</b>	<b>220</b>
<b>Bio-Technology Research.....</b>	<b>1,750</b>	<b>3,750</b>	<b>3,750</b>
<b>Tourette Syndrome.....</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Emergency Care Research.....</b>	<b>200</b>	<b>200</b>	<b>200</b>
<b>Newborn Hearing Screening Demonstration.....</b>	<b>0</b>	<b>550</b>	<b>550</b>
<b>Fox Chase Institute for Cancer Research.....</b>	<b>860</b>	<b>860</b>	<b>860</b>
<b>The Wistar Institute - Research: Operation and Maintenance.....</b>	<b>237</b>	<b>237</b>	<b>237</b>
<b>The Wistar Institute - Research: AIDS Research.....</b>	<b>102</b>	<b>102</b>	<b>102</b>
<b>Central Penn Oncology Group.....</b>	<b>143</b>	<b>143</b>	<b>143</b>
<b>Cardiovascular Studies - University of Pennsylvania.....</b>	<b>132</b>	<b>132</b>	<b>132</b>
<b>Cardiovascular Studies - St. Francis Hospital.....</b>	<b>132</b>	<b>132</b>	<b>132</b>
<b>St. Christopher's Hospital: Cerebral Palsy.....</b>	<b>791</b>	<b>0</b>	<b>0</b>
<b>St. Christopher's Hospital: Disabled Children's Clinic.....</b>	<b>166</b>	<b>0</b>	<b>0</b>
<b>Lancaster - Cleft Palate Clinic.....</b>	<b>56</b>	<b>56</b>	<b>56</b>
<b>Pittsburgh - Cleft Palate Clinic.....</b>	<b>56</b>	<b>56</b>	<b>56</b>
<b>Tay Sachs Disease - Jefferson Medical College.....</b>	<b>56</b>	<b>56</b>	<b>56</b>
<b>Burn Foundation.....</b>	<b>462</b>	<b>462</b>	<b>462</b>
<b>The Children's Institute, Pittsburgh.....</b>	<b>770</b>	<b>870</b>	<b>870</b>
<b>Children's Hospital of Philadelphia.....</b>	<b>0</b>	<b>500</b>	<b>500</b>
<b>Phila Hlth &amp; Ed Corp-Pediatric Outpatient and Inpatient.....</b>	<b>0</b>	<b>791</b>	<b>791</b>
<b>Phila Hlth &amp; Ed Corp-Handicapped Children's Clinic.....</b>	<b>0</b>	<b>166</b>	<b>166</b>
Subtotal - State Funds.....	\$ 153,748	\$ 159,385	\$ 165,201
Subtotal - Federal Funds.....	218,183	256,412	258,294
Subtotal - Augmentations.....	3,038	4,273	2,955
Total - Grants and Subsidies.....	\$ 374,969	\$ 420,070	\$ 426,450
<b>STATE FUNDS.....</b>	<b>\$ 209,553</b>	<b>\$ 221,471</b>	<b>\$ 236,400</b>
<b>FEDERAL FUNDS.....</b>	<b>283,642</b>	<b>331,998</b>	<b>338,184</b>
<b>AUGMENTATIONS.....</b>	<b>7,578</b>	<b>8,847</b>	<b>4,124</b>
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 500,773</b>	<b>\$ 562,316</b>	<b>\$ 578,708</b>

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
<b>TOBACCO SETTLEMENT FUND:</b>			
<i>Grants and Subsidies:</i>			
Health Research.....	\$ 0	\$ 0	\$ 32,641
Tobacco Use Prevention.....	0	0	32,641
Tobacco Use Cessation.....	0	0	16,320
Total - Grants and Subsidies.....	\$ 0	\$ 0	\$ 81,602
<b>TOBACCO SETTLEMENT FUND TOTAL.....</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 81,602</b>
<b>OTHER FUNDS:</b>			
<b>EMERGENCY MEDICAL SERVICES OPERATING FUND:</b>			
Emergency Medical Services.....	\$ 8,681	\$ 9,200	\$ 9,275
Catastrophic Medical and Rehabilitation.....	3,400	2,751	3,000
<b>EMERGENCY MEDICAL SERVICES OPERATING FUND TOTAL.....</b>	<b>\$ 12,081</b>	<b>\$ 11,951</b>	<b>\$ 12,275</b>
<b>ORGAN DONATION AWARENESS TRUST FUND:</b>			
Implementation Costs (EA).....	\$ 76	\$ 5	\$ 5
Hospital and Other Medical Costs (EA).....	0	33	101
Grants to Certified Procurement Organizations (EA).....	375	462	207
Project Make-A-Choice (EA).....	90	130	62
<b>ORGAN DONATION AWARENESS TRUST FUND TOTAL.....</b>	<b>\$ 541</b>	<b>\$ 630</b>	<b>\$ 375</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 209,553	\$ 221,471	\$ 236,400
SPECIAL FUNDS.....	0	0	81,602
FEDERAL FUNDS.....	283,642	331,998	338,184
AUGMENTATIONS.....	7,578	8,847	4,124
OTHER FUNDS.....	12,622	12,581	12,650
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 513,395</b>	<b>\$ 574,897</b>	<b>\$ 672,960</b>

<sup>a</sup> Includes recommended supplemental appropriation of \$340,000.

<sup>b</sup> Actually appropriated as \$7,224,000. Amount shown is the best current estimate for the amount available for 1999-00. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.

<sup>c</sup> Actually appropriated as \$7,200,000. Amount shown is the best current estimate for the amount available for 1999-00. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.

<sup>d</sup> Includes recommended supplemental appropriation of \$260,000.

<sup>e</sup> Actually appropriated as \$2,000,000. Amount shown is the best current estimate for the amount available for 1999-00. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.

<sup>f</sup> Actually appropriated as \$10,505,000. Amount shown is the best current estimate for the amount available for 1999-00. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.



## Program Funding Summary

	(Dollar Amounts in Thousands)						
	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>HEALTH SUPPORT SERVICES</b>							
GENERAL FUND.....	\$ 32,199	\$ 37,317	\$ 44,928	\$ 45,411	\$ 45,507	\$ 44,769	\$ 45,660
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	46,858	56,192	60,865	60,865	60,865	60,865	60,865
OTHER FUNDS.....	4,289	4,330	929	946	963	980	997
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 83,346</b>	<b>\$ 97,839</b>	<b>\$ 106,722</b>	<b>\$ 107,222</b>	<b>\$ 107,335</b>	<b>\$ 106,614</b>	<b>\$ 107,522</b>
<b>HEALTH RESEARCH</b>							
GENERAL FUND.....	\$ 11,631	\$ 13,863	\$ 13,995	\$ 14,038	\$ 14,158	\$ 14,281	\$ 14,406
SPECIAL FUNDS.....	0	0	32,641	35,239	42,483	42,903	37,695
FEDERAL FUNDS.....	1,497	2,514	2,517	2,517	2,517	2,517	2,517
OTHER FUNDS.....	251	240	240	245	250	255	260
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 13,379</b>	<b>\$ 16,617</b>	<b>\$ 49,393</b>	<b>\$ 52,039</b>	<b>\$ 59,408</b>	<b>\$ 59,956</b>	<b>\$ 54,878</b>
<b>PREVENTIVE HEALTH</b>							
GENERAL FUND.....	\$ 109,449	\$ 112,569	\$ 118,639	\$ 118,780	\$ 119,145	\$ 119,515	\$ 119,894
SPECIAL FUNDS.....	0	0	48,961	52,858	63,724	64,354	56,541
FEDERAL FUNDS.....	183,001	216,811	218,208	218,208	218,208	218,208	218,208
OTHER FUNDS.....	1,560	2,792	1,638	1,638	1,638	1,638	1,638
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 294,010</b>	<b>\$ 332,172</b>	<b>\$ 387,446</b>	<b>\$ 391,484</b>	<b>\$ 402,715</b>	<b>\$ 403,715</b>	<b>\$ 396,281</b>
<b>HEALTH TREATMENT SERVICES</b>							
GENERAL FUND.....	\$ 19,019	\$ 19,549	\$ 19,549	\$ 19,549	\$ 19,549	\$ 19,549	\$ 19,549
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	443	751	650	650	650	650	650
OTHER FUNDS.....	12,622	12,581	12,650	12,575	12,575	12,575	12,575
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 32,084</b>	<b>\$ 32,881</b>	<b>\$ 32,849</b>	<b>\$ 32,774</b>	<b>\$ 32,774</b>	<b>\$ 32,774</b>	<b>\$ 32,774</b>
<b>DRUG AND ALCOHOL ABUSE PREVENTION AND TREATMENT</b>							
GENERAL FUND.....	\$ 37,255	\$ 38,173	\$ 39,289	\$ 39,289	\$ 39,289	\$ 39,289	\$ 39,289
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	51,843	55,730	55,944	55,944	55,944	55,944	55,944
OTHER FUNDS.....	1,478	1,485	1,317	1,477	1,433	1,387	1,338
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 90,576</b>	<b>\$ 95,388</b>	<b>\$ 96,550</b>	<b>\$ 96,710</b>	<b>\$ 96,666</b>	<b>\$ 96,620</b>	<b>\$ 96,571</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 209,553	\$ 221,471	\$ 236,400	\$ 237,067	\$ 237,648	\$ 237,403	\$ 238,798
SPECIAL FUNDS.....	0	0	81,602	88,097	106,207	107,257	94,236
FEDERAL FUNDS.....	283,642	331,998	338,184	338,184	338,184	338,184	338,184
OTHER FUNDS.....	20,200	21,428	16,774	16,881	16,859	16,835	16,808
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 513,395</b>	<b>\$ 574,897</b>	<b>\$ 672,960</b>	<b>\$ 680,229</b>	<b>\$ 698,898</b>	<b>\$ 699,679</b>	<b>\$ 688,026</b>



*PROGRAM OBJECTIVE: To provide effective administration and support systems through which the substantive programs of the health delivery system and the department can be achieved.*

## Program: Health Support Services

Health Support Services provides administrative and technical systems which support disease prevention and treatment. Also included in this program are quality assurance activities and State Laboratory facilities.

The Bureau of Health Statistics serves as the designated State Center for Health Statistics which is the focal point in Pennsylvania for coordinating the collection, analysis and dissemination of health statistics and information. The bureau collects statistical information on the health status of the population including leading causes of death, life expectancy and infant mortality. The bureau handles about 3,500 requests for services each year and conducts an annual survey of all hospitals, nursing homes and ambulatory surgery centers in Pennsylvania to obtain information on health resources and health services availability, utilization, staffing and patient characteristics. Many of the department's publications and statistics are also available through the Internet and can be found at the department's homepage.

The Department of Health administers 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 behaviors and life styles of the general public or selected populations. The department also provides professional consultation and technical support for other agencies, county health departments and local municipalities.

The Quality Assurance program conducts surveys and inspections of health care facilities, drug and alcohol programs, and intermediate care facilities to determine compliance with State and Federal standards and regulations and as a condition of receiving Federal Medicare and Medicaid financial support. The surveys determine compliance with various standards including sanitation, fire safety, health and level of care. If deficiencies are noted, a plan for correction is required. Facilities unable or unwilling to correct deficiencies according to a plan agreeable to the department are subject to various penalties.

The frequency of inspections varies by type of facility as required by either State or Federal law or regulations. Initial inspections are conducted prior to issuances of licenses. Acute care hospitals are surveyed and licensed on a two-year cycle, or a three-year cycle if the hospital participates in the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) linkage program. Nursing homes are subject to annual inspections. Home Health agencies are inspected every 36 months. Currently,

ten percent of other outpatient facilities or services such as primary care and physical, speech and occupational therapy providers, ambulatory/surgical facilities, and rural health clinics are inspected annually. More frequent inspections are made in response to complaints or life-threatening situation and more frequent reviews will result from proposed program initiatives.

The Bureau of Managed Care is responsible for oversight and regulation of managed care plans including health maintenance organizations (HMOs), preferred provider organizations (PPOs) and point of service (POS) products. It licenses new plans, ensures availability and accessibility of health services in plan "service areas" and monitors quality of care through periodic inspections and external quality reviews. It reviews and approves provider contracts and reimbursement methods. It also establishes rules and monitors delegation of essential managed care functions. The bureau develops policies and guidelines for licensure and regulation of new developments in managed care such as physician-hospital organizations (PHOs), integrated delivery systems, and medical service organizations, and collects and analyzes managed care data to identify trends. It licenses and oversees capitated dental plans (dental HMOs), traditional PPOs, nonprofit medical-surgical, vision, and dental plans (including Pennsylvania Blue Shield). Under Act 68 of 1998, the bureau certifies managed care utilization review organizations and monitors compliance with utilization review standards. The bureau also reviews complaints under Act 68 and coordinates third level grievance reviews conducted by certified external review entities. Finally, it monitors, researches and develops policy for general health financing and reimbursement issues, health cost-containment initiatives and health reform proposals.

The department operates the Public Health Laboratory which maintains a state of readiness to support the investigation of disease outbreaks or threats to the public health. The State Laboratory performs approximately 180,000 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. It establishes and monitors the performance standards for 7,100 clinical and physician office laboratories in the Commonwealth. The State Laboratory also recommends certification of clinical laboratories under the requirements of the Federal Clinical Laboratory Improvement Amendments.



## Program: Health Support Services (continued)

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Health care facilities in Pennsylvania with required surveys completed:							
Hospitals (biennially) .....	95%	100%	100%	100%	100%	100%	100%
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%	100%	100%	100%	100%	100%	100%

The number of hospitals surveyed increased from last year's budget due to an increased commitment of resources.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<b>General Government Operations</b>		<b>Quality Assurance</b>	
\$ -2,142	— completion of prior year technology enhancement projects.	\$ 138	— increased complaint investigations.
-150	— conclusion of training projects.	300	— Initiative — Facility Deficiency Records Automation. To automate the process for facility response to deficiency statements and plans of correction for hospitals and nursing homes surveyed for licensure by the Department of Health.
-35	— completion of managed care oversight enhancements.		
-22	— completion of epidemiological enhancements.		
-6	— completion of Emergency Medical Services enhancements.	405	— Initiative — Nurse Aide Registry Enhancements. To enable the nurse aide registry to respond in a timely manner to inquiries from employers regarding the qualifications of nurse aides employed in nursing homes to ensure the safety of nursing home residents.
26	— Geographic Information System administration.		
30	— Initiative — Increased Access to Dental Services. To increase recruitment and placement of dentists in identified shortage areas of the State.	597	— Initiative — Long-Term Care Quality Assurance Improvements. To conduct an analysis of long-term care facilities to assess performance patterns and trends in patient care and to promote provider practices which improve quality of care for nursing home residents.
40	— Initiative — Newborn Screening Program Expansion. To support the expansion of the Newborn Screening Program.		
92	— Initiative — State Health Improvement Planning Enhancements. To strengthen the State Health Improvement Planning model through the expanded use of community-based health improvement partnerships, health planning and the behavioral risk-factor surveillance system.	880	— to continue current program.
146	— Initiative — West Nile Virus Control. To monitor for the presence of the West Nile virus and to implement public and provider education.	1,460	— Initiative — Long-Term Care Consumer Information. To improve the information available to consumers regarding the availability of long-term care services including service options, provider performance profiles and financing opportunities.
325	— Initiative — Strengthening Information Technology Systems. To enhance the Statewide Immunization System and improve information technology applications.	\$ 3,780	<i>Appropriation Increase</i>
503	— information technology support.	\$ 106	<b>State Laboratory</b>
811	— to implement programs funded from the Tobacco Settlement for tobacco use prevention, tobacco use cessation and health research.	54	— to continue current program.
794	— Initiative — Managed Care Consumer Information. To develop managed care consumer information guides and conduct a Statewide managed care satisfaction survey.		— Initiative — West Nile Virus Control. To monitor for the presence of the West Nile virus.
859	— to continue current program.		— Initiative — Long-Term Care Consumer Information. To improve the information available to consumers regarding the availability of long-term care services including service options, provider performance profiles and financing opportunities.
2,400	— reduced data center augmentations.		
\$ 3,671	<i>Appropriation Increase</i>	\$ 160	<i>Appropriation Increase</i>



**Program: Health Support Services (continued)**

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 20,110	\$ 24,250	\$ 27,921	\$ 27,886	\$ 28,256	\$ 28,816	\$ 29,387
Quality Assurance .....	8,832	9,098	12,878	13,314	12,955	11,572	11,804
State Laboratory .....	3,257	3,969	4,129	4,211	4,296	4,381	4,469
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 32,199</b>	<b>\$ 37,317</b>	<b>\$ 44,928</b>	<b>\$ 45,411</b>	<b>\$ 45,507</b>	<b>\$ 44,769</b>	<b>\$ 45,660</b>



*PROGRAM OBJECTIVE: To develop better basic scientific knowledge of the nature of disease, illness and the environment which will improve the use of existing and new health resources.*

**Program: Health Research**

The Division of Vital Records is the repository for over 30 million records of births, deaths, fetal deaths, marriages and divorces which occur in the Commonwealth. Through automation of this operation, all Pennsylvania birth records from 1923 to the present are available through the department's computer system at all branch offices. The system processes more than 600,000 requests annually for certified copies of birth and death records for proof of

age, citizenship, litigation and genealogy. This system assists in the detection of fraudulent record usage, child support and the report of missing children. Birth and death records are also available on microfilm for preservation and retrieval if required.

The program also provides funds to various medical institutions across the State which provide specialized medical and research services to Commonwealth citizens.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Vital events (births, deaths, fetal deaths, marriages and divorces):							
Registered and processed .....	390,367	390,250	388,950	387,650	386,350	385,550	384,750
Percent registered and processed within 30 days .....	78%	80%	85%	85%	85%	85%	85%
Applications for certified copies of birth and death records filled .....	616,600	620,000	624,000	626,000	628,000	630,000	632,000

**Program Recommendations:**

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p><b>GENERAL FUND</b>  <b>Vital Statistics</b>                  \$ 57 — to continue current program.                  75 — Initiative — Strengthening Information Technology Systems. To redesign and implement a new vital statistics processing system.  <hr/>                 \$ 132 <i>Appropriation Increase</i></p>	<p><b>TOBACCO SETTLEMENT FUND</b>  <b>Health Research</b>                  \$ 32,641 — for medical research to address significant public health needs in biomedical, biological, behavioral and environmental health sciences and health services research with the goal of improving the health of Commonwealth citizens.</p>
--	---

All other appropriations are recommended at the current year funding level.



Includes PRIME recommendation of developing an E-Commerce system allowing customers to apply for birth and death certificates on-line and transmit the total application electronically.



**Program: Health Research (continued)**

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Diabetes Programs .....	\$ 461	\$ 461	\$ 461	\$ 461	\$ 461	\$ 461	\$ 461
Vital Statistics .....	5,614	5,846	5,978	6,021	6,141	6,264	6,389
Regional Cancer Institutes .....	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Bio-Technology Research .....	1,750	3,750	3,750	3,750	3,750	3,750	3,750
Emergency Care Research .....	200	200	200	200	200	200	200
Fox Chase Institute for Cancer Research ..	860	860	860	860	860	860	860
The Wistar Institute — Research:							
Operation and Maintenance .....	237	237	237	237	237	237	237
The Wistar Institute — Research:							
AIDS Research .....	102	102	102	102	102	102	102
Central Penn Oncology Group .....	143	143	143	143	143	143	143
Cardiovascular Studies — University of Pennsylvania .....	132	132	132	132	132	132	132
Cardiovascular Studies — St. Francis Hospital .....	132	132	132	132	132	132	132
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 11,631</b>	<b>\$ 13,863</b>	<b>\$ 13,995</b>	<b>\$ 14,038</b>	<b>\$ 14,158</b>	<b>\$ 14,281</b>	<b>\$ 14,406</b>
<b>TOBACCO SETTLEMENT FUND:</b>							
Health Research .....	\$ 0	\$ 0	\$ 32,641	\$ 35,239	\$ 42,483	\$ 42,903	\$ 37,695



*PROGRAM OBJECTIVE: To reduce morbidity and mortality through the early detection of disease and health defects and the promotion of sound health practices and remedial care.*

## Program: Preventive Health

A key to the promotion of sound health practices is insuring that all Pennsylvanians are able to access a range of preventive health and early disease detection services. Outreach and education services facilitated by the Department of Health make people aware of the importance of proper health practices and the availability of services to meet their needs.

The department, through its network of six district offices, 57 State health centers and three local community health projects, provides a limited range of public health services. These programs include communicable disease tracking, investigation, intervention and control services, family health and chronic disease assessment and intervention services, and special environmental health services. There are also six county and four city health departments that provide an additional range of individual and environmental public health services within their jurisdictions and are funded through grants and contracts awarded by the department.

To improve the availability of health care in underserved rural and urban areas, the department has established grant programs which enhance the recruitment and retention of primary health care physicians and other health professionals. These grants include awards to medical schools to increase the supply of general practitioners, student intern programs to provide clinic services and educational loan forgiveness to professionals practicing in targeted areas.

In addition to these general activities to promote sound health practices, the department provides a variety of programs targeted to specific populations and diseases that represent significant health risks.

### **Program Element: Woman and Infant Programs**

The department funds initiatives in selected high prevalence areas to reduce the incidence of unintended pregnancy among teens. In 1997-98, it began a five year comprehensive, Statewide plan to promote community-directed, abstinence education programs to postpone sexual activity and avoid pregnancy among young adolescents. The Abstinence Education and Related Services initiative is part of the Governor's Project for Community Building.

The department has developed a maternal and child health outreach program called "Love 'em with a Checkup" to address the problems of infant mortality and low birth weight. This outreach campaign alerts women to the importance of early prenatal care and primary care for children. It also provides information on access and appropriate use of health services. The department also developed a similar information and referral program for parents of children with special health care needs, called the "Special Kids Network."

The Genetics Program ensures access to genetic screening, education and counseling services for families. It encourages the assessment of patient genetic risks through primary health care providers and pays directly for testing and counseling services for eligible low-income patients. The program targets education and services to underserved populations and areas of the State.

The Women, Infants, and Children (WIC) Program is a Federally-funded program administered by the department. It serves pregnant, breast-feeding, and postpartum women, infants, and children up to five years of age who are at nutritional risk due to poor health, inadequate diet and low income. The program supplies supplemental foods that are rich in nutrients frequently lacking in the diets of members of this target population. The program ensures that WIC participants receive routine health care, and that nutrition education and counseling are made available on a regular basis. Participants are also referred to other appropriate local medical, health and social services. Program benefits promote optimal pregnancy outcome, improve participant use of pediatric and obstetrical services and enhance early interventions into potential health problems.

In order to minimize severe health risks to infants, the department conducts a Newborn Screening Program that includes testing for Phenylketonuria (PKU), Hypothyroidism, Sickle Cell Disease and Maple Syrup Urine Disease (MSUD). The department assures appropriate follow-up services for all newborns with abnormal or inconclusive test results. In addition, these newborns and their families are linked with treatment specialists who conduct diagnostic testing and coordinate the required care. The department also distributes specialized metabolic products Statewide for children and pregnant women with PKU or MSUD to lessen the adverse effects of those conditions.

The Sudden Infant Death Syndrome (SIDS) Program provides supportive services to families following a sudden infant death. Education regarding SIDS is provided to health professionals and others who normally interact with families following such a death.

The department facilitates a number of programs designed to help improve the health status of women. These programs range from a Statewide breast and cervical cancer early detection program, an HIV and pregnancy initiative, and a sexually transmitted disease program targeted to chlamydia and gonorrhea, to the development of a "Gift Giving Guide" to help promote and protect women's health.

The department supports a special smoking cessation program for pregnant women. This includes a promotional campaign advising health care and child care providers of



**Program: Preventive Health: (continued)**

the availability of self help materials and training opportunities to help women quit smoking. Through a "train the trainers" mechanism, the department is developing Statewide smoking cessation programs.

**Program Element: Children's Programs**

The department's Immunization Program provides immunizations to infants, children and youth to reduce the incidence of vaccine-preventable diseases in the Commonwealth. While vaccinations are encouraged for all ages, special emphasis is placed on reaching children less than two years old. The program also coordinates the surveillance of vaccine-preventable diseases, controls disease outbreaks, assesses immunization levels, conducts professional and public education programs, and initiates, processes, and evaluates the school immunization reporting system. In addition, the program provides vaccine and guidance to school districts for the provision of hepatitis B immunizations for 7th grade students. The department also promotes appropriate adult immunization services. These services range from assuring that senior citizens and others with chronic illnesses have access to annual influenza immunizations to providing assistance to volunteer fire companies, school districts, ambulance corps, correction officials, State Police and other organizations to purchase hepatitis B vaccine via Federal contracts, which allows them to protect their at-risk staffs at greatly reduced rates.

The health hazards of environmental lead are addressed through the department's Childhood Lead Poisoning Prevention Program. The program identifies children with, or at risk for, lead poisoning. It assures timely medical follow-up, environmental investigation and reduction of lead hazards in order to prevent adverse effects on intellectual functioning, behavior and overall health status attributable to lead exposure. Appropriate educational, medical and environmental follow-up is provided for the family of each child with a positive screening test result.

The School Health Program supports health services for all children who are attending elementary or secondary school, either public or private. The program reimburses 501 school districts and nine vocational technical schools for a portion of the costs associated with providing school nursing and dental services.

**Program Element: Other Health Promotion and Disease Prevention Programs**

The department ensures that all residents of the Commonwealth are served through a communicable disease epidemiological surveillance, investigation and control system. Reported cases of communicable diseases are investigated by the department to determine the infection source, transmission mode and control measures to prevent additional cases. The agency also provides a secure, confidential Statewide disease surveillance system. This computerized system compares incidence and prevalence rates and identifies risk factors. Disease trends are

determined and corrective action recommended to abate or ameliorate public health risks. Diseases investigated range from giardiasis, hepatitis, salmonellosis, shigellosis, rabies and Lyme disease, to tuberculosis, AIDS, and the other prevalent sexually transmitted diseases.

Chronic disease control and injury prevention program activities are increasing in light of the fact that chronic diseases and injuries and their associated risk factors are the leading causes of preventable morbidity and mortality within the Commonwealth.

The department's Cardiovascular Risk Reduction program implements risk-reduction measures that address premature morbidity and mortality from cardiovascular disease (the leading cause of death in Pennsylvania). The program focuses on modification of primary risk factors such as uncontrolled high blood pressure, high blood cholesterol, tobacco use, improper dietary practices, physical inactivity, and stress.

The department's Diabetes Control Program helps reduce the risk of complications resulting from this chronic disease. This is accomplished by facilitating community and hospital-based diabetes patient and professional education programs.

The Tobacco Control Program is designed to reduce the use of tobacco products by residents and control the epidemic of tobacco-related disease, disability and death. The key focus is to reach children, adolescents and retailers with a "no-tobacco use or sale" message to prevent addiction to nicotine in cigarettes and other tobacco products. The program also collects and analyzes intervention and prevention data, promotes public awareness and oversees the Clean Indoor Air Law in conjunction with the Department of Agriculture and the network of local health departments.

The department conducts an Injury Prevention Program to reduce the incidence of predictable and preventable injuries through the development of surveillance systems, programs for at-risk populations and training for health professionals. The department supports injury prevention programs such as the SafeKIDS coalition to raise public awareness of childhood injuries, educate parents and caregivers about safer environments for children, and provide programs on fire safety, poisoning and drowning.

The department's Acquired Immune Deficiency Syndrome (AIDS) programs are a coordinated strategy to prevent and change high-risk behaviors and provide resources and direction for sustaining preventive behavior and avoiding infection with the Human Immunodeficiency Virus (HIV). Emphasis is placed on enhancing local decision-making processes and targeting activities to local needs through seven regional planning coalitions. The educational program includes on-site training of diverse groups, both print and electronic public information service, consultation with small businesses and community intervention projects. Confidential HIV testing and partner



## Program: Preventive Health: (continued)

notification services are also provided.

The Sexually Transmitted Disease (STD) program is designed to reduce the incidence of syphilis, gonorrhea, chlamydia and herpes through diagnosis and treatment of people infected with the disease. Counseling and follow-up of infected patients helps identify sex partners who may be at risk of developing a sexually transmitted disease and refers them for appropriate health care. Special attention is provided for pregnant women with chlamydia and gonorrhea to prevent complications among newborns.

The Tuberculosis Control Program provides outpatient examination, diagnosis and appropriate treatment for persons infected with tuberculosis. Key to preventing the spread of the disease is contact examination and preventive therapy to close contacts of infectious cases or other high-risk people.

The Oral Health Program provides oral and dental health educational material primarily in schools and county health offices that are designed to encourage the prevention of tooth decay, periodontal (gum) disease and other oral diseases. The program also promotes the beneficial health effects of fluoridation of public water systems.

The department maintains a Statewide cancer registry of incidence and mortality data, along with relevant demographic and geographic information on each case. Over 200 hospitals report all diagnoses of malignant conditions to the registry. Staff conducts quality assessment reviews on this data at approximately 100 reporting hospitals each fiscal year. The data base provides important information for planning, implementation, research and evaluation. The department has developed and implemented a number of cancer prevention and early detection programs. This includes a breast and cervical cancer education and early detection program.

Program Measures	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Women and children's programs:</b>							
Percent low birth weight live births .....	7.6%	7.6%	7.7%	7.7%	7.7%	7.7%	7.7%
Average number of persons participating in women, infants and children (WIC) programs each month .....	237,212	250,000	250,000	250,000	250,000	250,000	250,000
<b>Other communicable disease programs:</b>							
HIV tests at publicly-funded sites .....	43,873	44,000	44,100	44,200	44,300	44,400	44,500
Percentage of persons screened found with gonorrhea .....	1.1%	1.0%	0.6%	0.5%	0.5%	0.5%	0.5%
<b>Communicable disease incidences reported:</b>							
Gonorrhea .....	11,305	11,500	11,500	11,500	11,500	11,500	11,500
Infectious Syphilis .....	97	100	100	100	100	100	100
AIDS .....	1,622	1,400	1,400	1,300	1,300	1,300	1,300
Primary care physicians receiving loan repayment forgiveness .....	73	89	100	100	100	100	100
Cancer abstracts received .....	103,602	104,000	104,000	104,000	104,000	104,000	104,000

The percentage of persons screened found with gonorrhea increased from those shown in last year's budget projection due to improved testing methods.

Reported infectious syphilis cases decreased from those shown in last year's budget due to more extensive screening and partner notification services.

Reported AIDS cases decreased from the amounts listed in last year's budget due to the continuation of relatively new treatments which restrain HIV diagnosis from becoming full AIDS cases.

Primary care physicians receiving loans decreased from those shown in last year's budget due to a decrease in the number of applicants. This stems from uncertainties in the medical industry and increased number of foreign medical students placed in underserved areas which is accomplished through cooperation with the Federal Appalachian Regional Commission and the Immigration and Naturalization Service.

## Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	<b>GENERAL FUND</b>	500	— Initiative — State Health Improvement Planning Enhancements. To strengthen the State Health Improvement Planning model through the expanded use of community-based health improvement partnerships and the behavioral risk-factor surveillance system.
\$	455		
	415		
	— to continue current program.		
	— to locally administer cessation, prevention, and education programs which are funded from the Tobacco Master Settlement Agreement.		
		\$ 1,370	Appropriation Increase



**Program: Preventive Health: (continued)**

**Program Recommendations: (continued)** This budget recommends the following changes: (Dollar Amounts in Thousands)

\$	4,000	<b>Newborn Screening</b> — Initiative — Newborn Screening Program Expansion. To add tests for congenital adrenal hyperplasia and galactosemia to the Newborn Screening Program and to fund the four existing tests.	\$	-689	<b>Local Health Departments</b> — reduced costs based on current population and local budget projections.
					<b>Local Health-Environmental</b> — reduced costs based on current population projections.
		<b>Primary Health Care Practitioner</b> — workforce analysis to update the assessment of specialties, locations, and ages of primary health care practitioners.			
		438 — Initiative — Increased Access to Dental Services. To increase recruitment and placement of dentists in identified shortage areas of the State.			<b>TOBACCO SETTLEMENT FUND</b> <b>Tobacco Use Prevention</b> — to significantly expand the program to prevent tobacco use.
		900 — Initiative — Area Health Education Center Enhancements. To improve access to medical care and to address public health concerns through enhanced training, educational programming and coordination.			<b>Tobacco Use Cessation</b> — to significantly expand the program to encourage cessation of tobacco use.
		<hr/> \$ 1,438 <i>Appropriation Increase</i>			

All other appropriations are recommended at the current year funding level.

**Appropriations within this Program:** (Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Community Health Systems .....	\$ 16,084	\$ 16,965	\$ 18,335	\$ 18,164	\$ 18,529	\$ 18,899	\$ 19,278
Sexually Transmitted Disease Screening and Treatment .....	1,127	1,177	1,177	1,177	1,177	1,177	1,177
Newborn Screening .....	0	0	4,000	4,000	4,000	4,000	4,000
Primary Health Care Practitioner .....	3,140	3,160	4,598	4,910	4,910	4,910	4,910
Cancer Programs .....	3,595	3,595	3,595	3,595	3,595	3,595	3,595
AIDS Programs .....	6,528	6,528	6,528	6,528	6,528	6,528	6,528
School District Health Services .....	39,867	40,464	40,464	40,464	40,464	40,464	40,464
Local Health Departments .....	26,313	26,836	26,147	26,147	26,147	26,147	26,147
Local Health - Environmental .....	7,295	7,354	7,305	7,305	7,305	7,305	7,305
Maternal and Child Health .....	3,465	3,905	3,905	3,905	3,905	3,905	3,905
Tuberculosis Screening and Treatment .....	1,009	1,009	1,009	1,009	1,009	1,009	1,009
Hepatitis Screening and Prevention .....	300	300	300	300	300	300	300
Epilepsy Support Services .....	450	450	450	450	450	450	450
Keystone State Games .....	220	220	220	220	220	220	220
Newborn Hearing Screening Demonstration	0	550	550	550	550	550	550
Tay Sachs Disease - Jefferson Medical College .....	56	56	56	56	56	56	56
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 109,449</b>	<b>\$ 112,569</b>	<b>\$ 118,639</b>	<b>\$ 118,780</b>	<b>\$ 119,145</b>	<b>\$ 119,515</b>	<b>\$ 119,894</b>
<b>TOBACCO SETTLEMENT FUND:</b>							
Tobacco Use Prevention .....	\$ 0	\$ 0	\$ 32,641	\$ 35,239	\$ 42,483	\$ 42,903	\$ 37,695
Tobacco Use Cessation .....	0	0	16,320	17,619	21,241	21,451	18,846
<b>TOTAL TOBACCO SETTLEMENT FUND .....</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 48,961</b>	<b>\$ 52,858</b>	<b>\$ 63,724</b>	<b>\$ 64,354</b>	<b>\$ 56,541</b>



*PROGRAM OBJECTIVE: To maximize the individual's capacity for independent living through the provision of an array of service and support programs.*

## Program: Health Treatment Services

The department has the responsibility of coordinating a variety of specialized medical services for Commonwealth patients. The department also pays for these services in cases where all other available resources, including Medical Assistance, have been accessed.

### **Program Element: Inpatient Services**

One of the principal concerns of patient management is to provide treatment services at the least expensive level of care while remaining consistent with standards of good medical practice. Inpatient hospital and nursing care is provided for only the most acute medical conditions that require the facilities and services available in an inpatient setting. Because inpatient care is very expensive, programs providing this type of care have imposed strict controls on admissions and, where possible, are using outpatient services in lieu of hospital admissions. Inpatient care is provided for the treatment of tuberculosis, cleft palate, cystic fibrosis, spina bifida, children's cardiac conditions, 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 diseases (including respiratory), physical rehabilitation and reconstruction, catastrophic blood disorders and acute conditions.

Clinical services are offered in a variety of settings, including State and community health centers, family planning clinics and practicing physicians' offices. Minors may seek and receive care under the treatment of minors provisions of the Disease Prevention and Control Law.

The Division of Special Health Care Needs provides case management through a system of information and referral which is 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 made for family support and community development activities related to the division. A family consultant is located in each tertiary children's hospital to assist and advocate for families as they access services. This consultant links families back to the Regional Resource Center for information and referral to local services.

The Services for Children with Special Needs Program provides Statewide case management and support services to children with chronic respiratory failure who are ventilator dependent, allowing them to receive life-support equipment and nursing care in their homes. The program also assists

individuals with spina bifida who have health care costs which are not covered by insurance or third party resources. In a joint effort to improve utilization of State funds, as many children as possible who are eligible for Medical Assistance 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 with cardiac, orthopedic, cystic fibrosis, cleft palate, and 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 Hemophilia Program utilizes eight specialized centers to provide comprehensive evaluation, rehabilitation services and blood products for outpatient or home use. Patients must be registered with a center to receive these benefits and must ensure that third party resources are used before State program funds are expended.

Sickle Cell Anemia is a genetically determined red blood cell disorder which affects approximately two percent of the African-American population in Pennsylvania. Patients receive medical and psychosocial services at 15 different service sites.

The Cooley's Anemia Program identifies children and adults with this chronic blood disorder and provides comprehensive care including social services, vocational planning, family screening and counseling.

The Adult Cystic Fibrosis Program provides comprehensive treatment and care coordination to an increasing number of adults who survive this chronic childhood condition.

The department provides extensive outpatient support services to adults with chronic respiratory diseases. The Coal Miners' Chronic Respiratory Disease Program provides screening, diagnostic, rehabilitative, educational, referral and follow-up care to all miners with pulmonary disease within the Commonwealth.

The Chronic Renal Disease Program provides dialysis, renal transplant, drugs, certain physician fees, medical supplies and transportation services to persons with chronic renal failure. The department's Health Promotion Program conducts a public information and education program to encourage organ and tissue donation as one means of eliminating this disease and prolonging life.

The department is the lead agency for the Commonwealth emergency medical services system as defined in Act 45 of 1985 known as the Emergency Medical Services Act.



## Program: Health Treatment Services (continued)

This includes planning, developing, implementing and evaluating the system through sixteen regional councils, a Statewide advisory council and the trauma systems foundation. This program is responsible for licensure of ambulances, medical command facility accreditation, medical command physician recognition, training institute accreditation, certification of prehospital practitioners and distribution of funding. 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 regional case managers and head injury rehabilitation providers in the Commonwealth. Funding is made available through the Emergency Medical Services Operating Fund included in the Special Fund Appendix.

Program Measures:	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Minimum number of children and adults receiving outpatient treatment through department supported programs:							
Hemophilia .....	1,106	1,106	1,106	1,106	1,106	1,106	1,106
Phenylketonuria .....	630	630	645	660	670	680	690
Renal disease .....	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Cooley's Anemia .....	43	43	43	43	43	43	43
Sickle Cell Anemia .....	1,750	1,800	1,850	1,900	1,950	2,000	2,050
Spina Bifida .....	1,120	1,120	1,120	1,120	1,120	1,120	1,120
Home Ventilators .....	196	196	196	196	196	196	196
Chronic respiratory disease .....	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Children's rehabilitative services .....	3,004	3,200	3,300	3,350	3,400	3,400	3,400

## Program Recommendations:

All appropriations are recommended at the current year funding level.

## Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Organ Donation .....	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120
Coal Workers' Respiratory Diseases .....	200	200	200	200	200	200	200
Renal Dialysis .....	9,255	8,255	8,255	8,255	8,255	8,255	8,255
Services for Children with Special Needs .....	1,732	1,732	1,732	1,732	1,732	1,732	1,732
Adult Cystic Fibrosis .....	391	721	721	721	721	721	721
Cooley's Anemia .....	198	198	198	198	198	198	198
Hemophilia .....	1,594	1,594	1,594	1,594	1,594	1,594	1,594
Sickle Cell .....	1,503	1,503	1,503	1,503	1,503	1,503	1,503
Regional Poison Control Centers .....	1,250	1,750	1,750	1,750	1,750	1,750	1,750
Trauma Programs Coordination .....	250	275	275	275	275	275	275
Trauma Systems .....	125	200	200	200	200	200	200
Tourette Syndrome .....	100	100	100	100	100	100	100
St. Christopher's Hospital: Cerebral Palsy .....	791	0	0	0	0	0	0
St. Christopher's Hospital: Disabled Children's Clinic .....	166	0	0	0	0	0	0
Lancaster - Cleft Palate Clinic .....	56	56	56	56	56	56	56
Pittsburgh - Cleft Palate Clinic .....	56	56	56	56	56	56	56
Burn Foundation .....	462	462	462	462	462	462	462
The Children's Institute, Pittsburgh .....	770	870	870	870	870	870	870
Children's Hospital of Philadelphia .....	0	500	500	500	500	500	500
Phila Hlth & Ed Corp-Pediatric Outpatient and Inpatient .....	0	791	791	791	791	791	791
Phila Hlth & Ed Corp-Handicapped Children's Clinic .....	0	166	166	166	166	166	166
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 19,019</b>	<b>\$ 19,549</b>	<b>\$ 19,549</b>	<b>\$ 19,549</b>	<b>\$ 19,549</b>	<b>\$ 19,549</b>	<b>\$ 19,549</b>



*PROGRAM OBJECTIVE: To provide education, intervention and treatment programs to reduce drug and alcohol abuse and dependency.*

**Program: Drug and Alcohol Abuse Prevention and Treatment**

This program provides counties with funding to purchase drug and alcohol services for Pennsylvanians who do not have insurance or resources to pay for treatment. 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 drug and alcohol problems.

Intervention services provide support to those individuals affected by drug or alcohol problems. Services include information hotlines, drop-in centers, alcohol safety programs and occupational programs. The Student Assistance Program (SAP), which encompasses all 501 Commonwealth school districts, 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 52 percent drug related and 48 percent alcohol related. Males represent 70 percent of all treatment admissions. After alcohol, the second most predominant drug abuse problem is cocaine use. Multiple drug use is also a significant problem.

Drug and alcohol education and training programs are provided for substance abuse and human services professionals. Issues such as prevention, intervention and treatment are addressed through a variety of educational initiatives. This program is accompanied by Federal Drug and Alcohol programs totaling over \$55 million.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Prevention Services:</b>							
School personnel trained by Student Assistance Program .....	11,100	11,100	11,100	11,100	11,100	11,100	11,100
Students referred for assistance by Student Assistance Program .....	15,661	15,818	15,976	16,136	16,297	16,460	16,624
<b>Treatment Services:</b>							
Residential programs licensed/approved .....	338	338	338	338	338	338	338
Outpatient programs licensed/approved .....	774	774	774	774	774	774	774
Patients enrolled in treatment:							
Male .....	43,067	43,703	44,292	44,735	45,182	45,689	46,097
Female .....	18,271	18,570	18,604	18,790	18,978	19,192	19,352
Admissions with primary diagnosis:							
Drug abuse .....	31,845	32,485	32,810	33,138	33,469	33,884	34,142
Alcohol abuse .....	29,493	29,788	30,086	30,387	30,691	30,997	31,307
Percent of admissions completing treatment	38%	39%	40%	41%	42%	43%	44%

The percent of admissions completing treatment increased from those shown in last year's budget due to the implementation of the Pennsylvania Placement Criteria. This system helps ensure that clients enter the most appropriate modality of treatment including case management, which also helps mitigate ancillary problems.





## Program: Drug and Alcohol Abuse Prevention and Treatment (continued)

### Program Recommendations: This budget recommends the following changes: (Dollar Amounts in Thousands)

\$	353	<b>Assistance to Drug and Alcohol Programs</b>
		—to match Federal funds for a Drug Control and System Improvement (DCSI) project.
	763	—to provide a two percent cost-of-living adjustment.
<u>\$</u>	<u>1,116</u>	<i>Appropriation Increase</i>

### Appropriations within this Program: (Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Assistance to Drug and Alcohol Programs .....	\$ 37,255	\$ 38,173	\$ 39,289	\$ 39,289	\$ 39,289	\$ 39,289	\$ 39,289





---

# HIGHER EDUCATION ASSISTANCE AGENCY

*The mission of the Higher Education Assistance Agency is to provide financial aid to higher education students in the form of grants, loans and employment opportunities through the coordination of State and Federal aid programs. In addition, the Agency provides Institutional Assistance Grants to private institutions enrolling students who participate in the State Grant Program.*



## PROGRAM REVISION

### Budgeted Amounts Include the Following Program Revisions:

Title	Appropriation	2000-01 State Funds <small>(in thousands)</small>
<b>Excelling in the Digital Economy</b>		
	SciTech and GI Bill Scholarships.....	\$ 16,534
	SciTech and GI Bill Scholarships Administration.....	<u>661</u>
	Program Revision Subtotal.....	<u><u>\$ 17,195</u></u>

This Program Revision provides resources to establish technology scholarships to attract and retain knowledge workers. This is part of the \$95.3 million Excelling in the Digital Economy Program Revision. Please see the Program Revision following the Business and Job Development program in the Department of Community and Economic Development for additional information on this Program Revision.

#### Promoting Self-Sufficiency and Responsibility

This Program Revision provides \$1.5 million in Federal funds to expand programs that serve low-income students, including grants and scholarships for post-secondary education. This is part of the \$28.5 million Promoting Self-Sufficiency and Responsibility Program Revision. Please see the Program Revision following the Income Maintenance program in the Department of Public Welfare for additional information on this Program Revision.

Department Total.....	<u><u>\$ 17,195</u></u>
-----------------------	-------------------------



# Higher Education Assistance Agency

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99	1999-00	2000-01
	ACTUAL	AVAILABLE	BUDGET
<b>GENERAL FUND:</b>			
<i>Grants and Subsidies:</i>			
Grants to Students.....	\$ 266,866	\$ 285,547	\$ 314,102
(F)Byrd Scholarships.....	0	1,656	1,656
(F)TANFBG-Education Opportunities.....	0	0	1,500
Matching Payments for Student Aid Funds.....	8,397	9,972	11,197
Institutional Assistance Grants.....	37,939	39,077	40,249
Horace Mann Bond-Leslie Pinckney Hill Scholarship.....	750 <sup>a</sup>	750	750
Loan Forgiveness.....	402	0	0
Agricultural Loan Forgiveness.....	212	177	238
Child Care Loan Forgiveness.....	100	0	0
SciTech and GI Bill Scholarships.....	0	16,534	16,534
SciTech and GI Bill Scholarships - Administration.....	0	661	661
Cheyney University Keystone Academy.....	0	500	1,050
Subtotal - State Funds.....	\$ 314,666	\$ 353,218	\$ 384,781
Subtotal - Federal Funds.....	0	1,656	3,156
Total - Grants and Subsidies.....	\$ 314,666	\$ 354,874	\$ 387,937
STATE FUNDS.....	\$ 314,666	\$ 353,218	\$ 384,781
FEDERAL FUNDS.....	0	1,656	3,156
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 314,666</b>	<b>\$ 354,874</b>	<b>\$ 387,937</b>
<b>OTHER FUNDS:</b>			
<b>HIGHER EDUCATION ASSISTANCE FUND:</b>			
Guaranteed Agency Operating Fund.....	\$ 117,881	\$ 118,005	\$ 118,879
Federal Reserve Fund.....	295,320	295,320	295,320
Contract Servicing.....	101,619	106,809	109,016
Robert Byrd Scholarships.....	1,680	1,664	1,664
State Student Incentive Grant.....	1,126	1,100	0
Transfers Augmenting Appropriations.....	2,004	1,491	2,243
Primary Health Care.....	845	1,123	1,238
Administration Augmentations.....	2,716	1,087	1,091
Miscellaneous.....	46	429	435
National Guard.....	89	30	30
Christa McAuliffe Scholarship.....	41	41	41
<b>HIGHER EDUCATION ASSISTANCE FUND TOTAL.....</b>	<b>\$ 523,367</b>	<b>\$ 527,099</b>	<b>\$ 529,957</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 314,666	\$ 353,218	\$ 384,781
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	0	1,656	3,156
OTHER FUNDS.....	523,367	527,099	529,957
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 838,033</b>	<b>\$ 881,973</b>	<b>\$ 917,894</b>

<sup>a</sup> Actually appropriated as Equal Opportunity Professional Education.



## Program Funding Summary

	(Dollar Amounts in Thousands)						
	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>FINANCIAL ASSISTANCE TO STUDENTS</b>							
GENERAL FUND.....	\$ 276,727	\$ 314,141	\$ 344,532	\$ 361,728	\$ 378,262	\$ 378,262	\$ 378,262
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	1,656	3,156	3,156	1,656	1,656	1,656
OTHER FUNDS.....	523,367	527,099	529,957	529,957	529,957	529,957	529,957
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 800,094</b>	<b>\$ 842,896</b>	<b>\$ 877,645</b>	<b>\$ 894,841</b>	<b>\$ 909,875</b>	<b>\$ 909,875</b>	<b>\$ 909,875</b>
<b>FINANCIAL AID TO INSTITUTIONS</b>							
GENERAL FUND.....	\$ 37,939	\$ 39,077	\$ 40,249	\$ 40,249	\$ 40,249	\$ 40,249	\$ 40,249
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
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 37,939</b>	<b>\$ 39,077</b>	<b>\$ 40,249</b>	<b>\$ 40,249</b>	<b>\$ 40,249</b>	<b>\$ 40,249</b>	<b>\$ 40,249</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 314,666	\$ 353,218	\$ 384,781	\$ 401,977	\$ 418,511	\$ 418,511	\$ 418,511
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	1,656	3,156	3,156	1,656	1,656	1,656
OTHER FUNDS.....	523,367	527,099	529,957	529,957	529,957	529,957	529,957
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 838,033</b>	<b>\$ 881,973</b>	<b>\$ 917,894</b>	<b>\$ 935,090</b>	<b>\$ 950,124</b>	<b>\$ 950,124</b>	<b>\$ 950,124</b>



# 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) offers three financial assistance programs 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, interest earnings from the deposit of that appropriation in the Higher Education Assistance 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 (FFELP), established by the Federal Government and administered by PHEAA, enables students to secure long-term loans

from lending institutions. A supplemental student loan program funded by the issuance of tax-exempt bonds was authorized by Act 330 of 1982, amended by Act 5 of 1985. Under this program tax-exempt bonds are issued to fund a 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 Perkins Loans, Match Grants and Work-Study awards which students earn through several on-campus and off-campus job opportunities and for activities related to the professional development of financial aid personnel. The On-Campus Jobs Program generally provides employment in campus services; off-campus jobs place students in career and course of study related work in local communities.

The Horace Mann Bond-Leslie Pinckney Hill Scholarship Program (formerly the Equal Opportunity Professional Education Program) provides grants to graduates of Lincoln University and Cheyney University of Pennsylvania who enter the professional programs of law, medicine, or dentistry at either Temple University, the Pennsylvania State University or the University of Pittsburgh.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Grants to Students:</b>							
Applications for grants .....	373,286	385,722	397,290	409,210	421,490	434,130	447,150
Applications complete and needs tested for eligibility .....	217,461	225,368	232,130	239,090	246,260	253,650	261,260
Eligible applicants—meeting qualifications .....	153,128	151,667	158,600	165,850	173,430	181,350	189,640
Eligible applicants not enrolled at a college/university .....	13,005	12,881	13,470	14,090	14,730	15,400	16,100
Eligible applicants enrolled and accepting grants .....	140,123	138,786	145,130	151,760	158,700	165,950	173,540
Grant amount as percent of applicants total educational cost .....	13.50%	14.10%	14.20%	14.30%	14.40%	14.50%	14.60%
Students Receiving SciTech Scholarships ..	0	7,667	7,667	15,334	23,001	23,001	23,001
<b>Work Study:</b>							
Students assisted by Federal, State and private funds .....	55,000	58,300	60,500	62,700	64,900	67,100	69,300
Student work study earnings (in millions) ...	\$65.4	\$66.8	\$68.3	\$69.8	\$71.3	\$72.9	\$74.5
<b>Student Loans:</b>							
Federally guaranteed loans .....	501,605	511,637	521,870	532,307	542,953	553,812	564,888

Students Receiving SciTech Scholarships are in addition to students in the Grants to Students Program.

Students assisted by Federal, State and private funds includes only students whose work study program is supported with State matching funds.

Student work study earnings reflect earnings for students participating in the Federal/State matching work study program.



# Higher Education Assistance Agency

## Program: Financial Assistance to Students (continued)

### Program Recommendations:

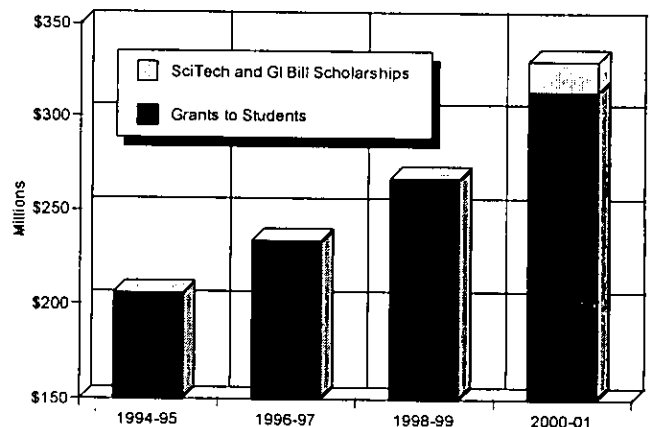
This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 28,555	<b>Grants to Students</b> — Initiative — Enhancements to the Student Grant Program. To increase the number of grant recipients by 6,220 over the revised 1999-00 estimate of 129,500 students to a 2000-01 estimate of 135,720 full time equivalent students, and to increase the average award from \$2,208 to \$2,325.
\$ 1,225	<b>Matching Payments to Student Aid Funds</b> — to provide match for increased Federal funds.
\$ 61	<b>Agriculture Loan Forgiveness</b> — to continue current program.
\$ 16,534	<b>SciTech and GI Bill Scholarships</b> — PRR— Excelling in the Digital Economy. This Program Revision provides scholarships to qualified students majoring in science or technology-related fields of study in order to expand and support a knowledge-based workforce. See the Program Revision following the Business and Job Development Program in the Department of Community and Economic Development for additional information.
-16,534	— funding for SciTech and GI Bill Scholarships in the 1999-00 budget.
\$ 0	<i>Appropriation Unchanged</i>

\$ 661	<b>SciTech and GI Bill Scholarships- Administration</b> — PRR — Excelling in the Digital Economy. This Program Revision provides administrative support for a scholarship program for qualified students majoring in science or technology-related fields of study in order to expand and support a knowledge-based workforce. See the Program Revision following the Business and Job Development Program in the Department of Community and Economic Development for additional information.
-661	— funding for SciTech and GI Bill Scholarships- Administration in the 1999-00 budget.
\$ 0	<i>Appropriation Unchanged</i>
\$ 550	<b>Cheyney University Keystone Academy</b> — to recruit and enroll gifted students at Cheyney University.

All other appropriations are recommended at the current year levels.

**Student Aid**  
Higher Education Assistance Agency  
Grants to Students



Since 1994-95 State funding for student aid has increased by over \$124.3 million or over 60 percent.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Grants to Students .....	\$ 266,866	\$ 285,547	\$ 314,102	\$ 314,102	\$ 314,102	\$ 314,102	\$ 314,102
Matching Payments for Student Aid Funds .....	8,397	9,972	11,197	11,197	11,197	11,197	11,197
Horace Mann Bond-Leslie Pinckney Hill Scholarship .....	750	750	750	750	750	750	750
Loan Forgiveness .....	402	0	0	0	0	0	0
Agricultural Loan Forgiveness .....	212	177	238	238	238	238	238
Child Care Loan Forgiveness .....	100	0	0	0	0	0	0
SciTech and GI Bill Scholarships .....	0	16,534	16,534	33,068	49,602	49,602	49,602
SciTech and GI Bill Scholarships — Administration .....	0	661	661	1,323	1,323	1,323	1,323
Cheyney University Keystone Academy .....	0	500	1,050	1,050	1,050	1,050	1,050
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 276,727</b>	<b>\$ 314,141</b>	<b>\$ 344,532</b>	<b>\$ 361,728</b>	<b>\$ 378,262</b>	<b>\$ 378,262</b>	<b>\$ 378,262</b>



# 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. Eighty-four institutions are expected to participate in the 2000-01 program.

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's independent colleges and universities.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Eligible grant recipients enrolled at eligible independent institutions .....	36,557	36,483	38,151	38,151	38,151	38,151	38,151
Per capita grant .....	\$1,040	\$1,072	\$1,076	\$1,076	\$1,076	\$1,076	\$1,076

<b>Program Recommendations:</b>	This budget recommends the following changes: (Dollar Amounts in Thousands)
---------------------------------	---

\$ 1,172 Institutional Assistance Grants  
—to provide a 3% increase.

	(Dollar Amounts in Thousands)						
	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Institutional Assistance Grants .....	\$ 37,939	\$ 39,077	\$ 40,249	\$ 40,249	\$ 40,249	\$ 40,249	\$ 40,249







---

# HISTORICAL AND MUSEUM COMMISSION

*The mission of the Historical and Museum Commission is to preserve the Commonwealth's past through leadership, stewardship and service. The Commission believes that future generations will be strengthened and inspired by the ideals and traditions of Pennsylvania's heritage.*



# Historical and Museum Commission

## PROGRAM REVISION

### Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	2000-01 State Funds (in thousands)
<b>Enhancing Information Technology to Better Serve Pennsylvania</b>		
	General Government Operations.....	\$ 318

This Program Revision provides resources for base stations and mobile and portable radio equipment for the Statewide Public Safety Radio System. This is part of the \$174.3 million Enhancing Information Technology to Better Serve Pennsylvania Program Revision. Please see the Program Revision following the Executive Direction program in the Executive Offices for additional information on this Program Revision.

<b>Department Total.....</b>	<b>\$ 318</b>
------------------------------	---------------



# Historical and Museum Commission

## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
--	-------------------	----------------------	-------------------

### GENERAL FUND:

#### General Government:

General Government Operations.....	\$ 18,873	\$ 20,229	\$ 22,377
(F)Historic Preservation.....	768	1,000	1,000
(F)Document Conservation.....	0	0 <sup>a</sup>	0
(F)PA Historical Records Advisory Board.....	35	29	0
(F)Intermodal Surface Transportation Safety Act.....	26	35	10
(F)Surface Mining Review.....	55	55	60
(F)Railroad Museum Improvement.....	833	1,306	700
(F)Environmental Review.....	99	115	125
(F)Pennsbury Manor Improvement Project.....	9	30	0
(F)Erie Maritime Center.....	8	5	0
(F)National Historical Publications & Records.....	0	0	250
(A)Historic Preservation Fund.....	585	665	665
(A)PA Turnpike Commission.....	8	25	25
(A)Architectural Services.....	7	1	1
(A)Keystone Recreation, Park & Conservation Fund.....	297	313	301
Subtotal.....	\$ 21,603	\$ 23,808	\$ 25,514
Maintenance Program.....	1,000	1,000	2,000
Subtotal.....	\$ 1,000	\$ 1,000	\$ 2,000
Subtotal - State Funds.....	\$ 19,873	\$ 21,229	\$ 24,377
Subtotal - Federal Funds.....	1,833	2,575	2,145
Subtotal - Augmentations.....	897	1,004	992
Total - General Government.....	\$ 22,603	\$ 24,808	\$ 27,514

#### Grants and Subsidies:

Museum Assistance Grants.....	\$ 4,000	\$ 4,400	\$ 4,450
Gettysburg Monuments.....	0	0	500
Regional History Centers.....	250	0	0
Legislative History Collection.....	0	250	0
University of Pennsylvania Museum.....	199	219	219
Carnegie Museum of Natural History.....	199	219	219
Carnegie Science Center.....	199	219	219
Franklin Institute Science Museum.....	602	662	662
Academy of Natural Sciences.....	369	406	406
African American Museum in Philadelphia.....	282	310	310
Everhart Museum.....	36	40	40
Mercer Museum.....	153	168	168
Whitaker Center for Science and the Arts.....	110	121	121
Total - Grants and Subsidies.....	\$ 6,399	\$ 7,014	\$ 7,314

STATE FUNDS.....	\$ 26,272	\$ 28,243	\$ 31,691
FEDERAL FUNDS.....	1,833	2,575	2,145
AUGMENTATIONS.....	897	1,004	992

GENERAL FUND TOTAL.....	\$ 29,002	\$ 31,822	\$ 34,828
-------------------------	-----------	-----------	-----------

### KEYSTONE RECREATION, PARK AND CONSERVATION FUND:

#### Grants and Subsidies:

Historic Site Development - Bond Proceeds (EA).....	\$ 1,335	\$ 0	\$ 0
Historic Site Development - Realty Transfer Tax (EA).....	6,825	11,892	6,615
Total - Grants and Subsidies.....	\$ 8,160	\$ 11,892	\$ 6,615



# Historical and Museum Commission

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL.....	\$ 8,160	\$ 11,892	\$ 6,615
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Historical Preservation Act of 1966.....	\$ 0	\$ 80	\$ 0
<b>HISTORICAL PRESERVATION FUND:</b>			
Historical Preservation Fund.....	\$ 6,321	\$ 5,000	\$ 4,335
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 26,272	\$ 28,243	\$ 31,691
SPECIAL FUNDS.....	8,160	11,892	6,615
FEDERAL FUNDS.....	1,833	2,575	2,145
AUGMENTATIONS.....	897	1,004	992
OTHER FUNDS.....	6,321	5,080	4,335
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 43,483</b>	<b>\$ 48,794</b>	<b>\$ 45,778</b>

<sup>a</sup> Actually appropriated as \$96,000. Amount shown is the best current estimate of the amount available for 1999-00. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.



## Program Funding Summary

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>STATE HISTORIC PRESERVATION</b>							
GENERAL FUND.....	\$ 19,873	\$ 21,229	\$ 24,377	\$ 24,496	\$ 24,962	\$ 25,381	\$ 25,837
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,833	2,575	2,145	1,635	1,185	1,185	1,185
OTHER FUNDS.....	7,218	6,084	5,327	5,377	5,423	5,468	5,518
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 28,924</b>	<b>\$ 29,888</b>	<b>\$ 31,849</b>	<b>\$ 31,508</b>	<b>\$ 31,570</b>	<b>\$ 32,034</b>	<b>\$ 32,540</b>
<b>MUSEUM ASSISTANCE</b>							
GENERAL FUND.....	\$ 6,399	\$ 7,014	\$ 7,314	\$ 6,814	\$ 6,764	\$ 6,764	\$ 6,764
SPECIAL FUNDS.....	8,160	11,892	6,615	6,737	7,353	7,967	8,661
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 14,559</b>	<b>\$ 18,906</b>	<b>\$ 13,929</b>	<b>\$ 13,551</b>	<b>\$ 14,117</b>	<b>\$ 14,731</b>	<b>\$ 15,425</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 26,272	\$ 28,243	\$ 31,691	\$ 31,310	\$ 31,726	\$ 32,145	\$ 32,601
SPECIAL FUNDS.....	8,160	11,892	6,615	6,737	7,353	7,967	8,661
FEDERAL FUNDS.....	1,833	2,575	2,145	1,635	1,185	1,185	1,185
OTHER FUNDS.....	7,218	6,084	5,327	5,377	5,423	5,468	5,518
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 43,483</b>	<b>\$ 48,794</b>	<b>\$ 45,778</b>	<b>\$ 45,059</b>	<b>\$ 45,687</b>	<b>\$ 46,765</b>	<b>\$ 47,965</b>



# Historical and Museum Commission

*PROGRAM OBJECTIVE: To manage and safeguard Pennsylvania's historic resources through a comprehensive history and museum program to educate, interpret, research and preserve all areas of Pennsylvania history.*

---

## Program: State Historic Preservation

---

The State 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, information technology, financial grant administration, fiscal and revenue management, and other services. In addition, it administers a Property Management and Lease Program through cooperative agreements with management groups or profit and nonprofit organizations to operate, maintain and utilize historic sites, buildings and agricultural 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 Records Center. The State Archives is responsible for evaluating State and political subdivision records of the Commonwealth to determine administrative, legal or historical value; processing records disposition requests; developing appropriate records management and archival programs; and providing public access 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 subdivisions 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 guide Pennsylvania into the 21st century.

### ***Program Element: Historic Site and Museum Operations***

This element supports the operation of 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; administration of the Keystone Recreation, Park and Conservation Fund Grant Program for commission properties; 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 archeological 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.



# Historical and Museum Commission

## Program: State Historic Preservation (continued)

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
<b>State and Local Records</b>							
Pages of archives and historical manuscripts (in thousands) .....	166,000	169,600	176,200	182,800	189,400	196,000	202,600
Service request responses (History, Archives and State Records) (in thousands)	153	154	155	156	157	158	159
<b>Historic Site and Museum Operations</b>							
Annual visits to commission historical sites and museums (in thousands) .....	1,244	1,275	1,300	1,325	1,350	1,400	1,425
Historic markers .....	1,854	1,914	1,974	2,034	2,094	2,154	2,214
<b>Historic Preservation</b>							
Evaluations for the National Register of Historic Properties .....	2,300	2,595	2,850	3,100	3,400	3,700	4,000
<b>Professional History and Museum Support Services</b>							
Objects maintained and conserved (in thousands) .....	2,198	2,200	2,200	2,300	2,300	2,400	2,400
Commission buildings undergoing improvement .....	122	120	125	125	135	135	140

Pages of archives and historical manuscripts are lower than last year's budget projection because it does not include accession of State records that were anticipated but have not yet occurred.

Service request responses are higher than last year's budget due to inclusion of documents destroyed.

Annual visits to commission historical sites and museums are lower than last year's budget due to an improved method for counting visitation and because some museums were closed for renovation.

Historic markers increased from last year's budget due to increased financing of markers by historical societies.

Evaluations for the National Register of Historic Properties increased from last year's budget since the measure now includes all evaluations performed, including those for the Department of Transportation.

Objects maintained and conserved changed from last year's budget based on the most recent inventory.

Commission buildings undergoing improvement increased from last year's budget due to additional money in the Maintenance Program appropriation and Keystone Fund.

## Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND		318	— PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides resources for base stations and mobile and portable radio equipment for agency participation in the Statewide Public Safety Radio System. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.
\$	541		
	750		
	450		
	89		
		\$ 2,148	Appropriation Increase
		\$ 1,000	Maintenance Program — to increase maintenance projects.



# Historical and Museum Commission

Program: State Historic Preservation (continued)

## Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 18,873	\$ 20,229	\$ 22,377	\$ 22,456	\$ 22,881	\$ 23,258	\$ 23,672
Maintenance Program .....	1,000	1,000	2,000	2,040	2,081	2,123	2,165
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 19,873</b>	<b>\$ 21,229</b>	<b>\$ 24,377</b>	<b>\$ 24,496</b>	<b>\$ 24,962</b>	<b>\$ 25,381</b>	<b>\$ 25,837</b>





# 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, Park and Conservation Fund. The three programs provide 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 qualified history and cultural related institutions in the Commonwealth. Financial assistance to these institutions supports a portion of their general operating budgets.

The Keystone Recreation, Park and Conservation Fund Grant Program is a competitive grants process created by Act 1993-50. 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 operate 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:	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Museum assistance competitive grants awarded .....	195	205	215	215	215	215	215
Museum assistance general operating support grants .....	121	130	130	130	130	130	130

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	<b>GENERAL FUND</b>				<b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND</b>
	<b>Museum Assistance Grants</b>				<b>Historic Site Development — Realty Transfer Tax (EA)</b>
\$ 50	— to match anticipated Federal grant.				— nonrecurring projects.
	<b>Gettysburg Monuments</b>		\$ -5,277		
\$ 500	— for study and preservation of Pennsylvania monuments on the Gettysburg battlefield.				
	<b>Legislative History Collection</b>				
\$ -250	— nonrecurring appropriation.				

All other appropriations are recommended at the current year funding levels.



# Historical and Museum Commission

## Program: Museum Assistance (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Museum Assistance Grants .....	\$ 4,000	\$ 4,400	\$ 4,450	\$ 4,450	\$ 4,400	\$ 4,400	\$ 4,400
Gettysburg Monuments .....	0	0	500	0	0	0	0
Regional History Centers .....	250	0	0	0	0	0	0
Legislative History Collection .....	0	250	0	0	0	0	0
University of Pennsylvania Museum .....	199	219	219	219	219	219	219
Carnegie Museum of Natural History .....	199	219	219	219	219	219	219
Carnegie Science Center .....	199	219	219	219	219	219	219
Franklin Institute Science Museum .....	602	662	662	662	662	662	662
Academy of Natural Sciences .....	369	406	406	406	406	406	406
African American Museum in Philadelphia ..	282	310	310	310	310	310	310
Everhart Museum .....	36	40	40	40	40	40	40
Mercer Museum .....	153	168	168	168	168	168	168
Whitaker Center for Science and the Arts ..	110	121	121	121	121	121	121
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 6,399</b>	<b>\$ 7,014</b>	<b>\$ 7,314</b>	<b>\$ 6,814</b>	<b>\$ 6,764</b>	<b>\$ 6,764</b>	<b>\$ 6,764</b>
 <b>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</b>							
Historic Site Development - Bond Proceeds (EA) .....	\$ 1,335	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Historic Site Development - Realty Transfer Tax (EA) .....	6,825	11,892	6,615	6,737	7,353	7,967	8,661
<b>TOTAL KEYSTONE RECREATION, PARK AND CONSERVATION FUND .....</b>	<b>\$ 8,160</b>	<b>\$ 11,892</b>	<b>\$ 6,615</b>	<b>\$ 6,737</b>	<b>\$ 7,353</b>	<b>\$ 7,967</b>	<b>\$ 8,661</b>





---

# INFRASTRUCTURE INVESTMENT AUTHORITY

*The mission of the Infrastructure Investment Authority (PENNVEST) is to improve Pennsylvania's water through the provision of low interest loans and limited grants, to municipalities, municipal authorities and private entities for the construction of drinking water, wastewater, and stormwater projects.*

The Pennsylvania Infrastructure Investment Authority administers the PENNVEST program authorized in Act 16 of 1988.



## PROGRAM REVISION

### Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	2000-01 State Funds (in thousands)
Vision for the 21st Century Environment		

#### ENVIRONMENTAL STEWARDSHIP FUND

Storm Water, Water and Sewer Grants.....	\$ 32,030
--	-----------

This Program Revision provides grants for storm water, water and sewer projects as part of the Growing Greener initiative. This is part of the \$139.5 million Vision for the 21st Century Environment Program Revision. Please see the Program Revision following the Environmental Protection and Management program in the Department of Environmental Protection for additional information on this Program Revision.

Department Total.....	<u>\$ 32,030</u>
-----------------------	------------------



# Infrastructure Investment Authority

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99	1999-00	2000-01
	ACTUAL	AVAILABLE	BUDGET
<b>GENERAL FUND:</b>			
<i>Grants and Subsidies:</i>			
(F)Sewage Projects Revolving Loan Fund.....	\$ 65,000	\$ 66,500	\$ 66,000
(F)Drinking Water Projects Revolving Loan Fund.....	25,550	50,300	44,750
(F)Rural Communities Wastewater Treatment.....	1,044	1,734	1,500
Subtotal - Federal Funds.....	91,594	118,534	112,250
Total - Grants and Subsidies.....	<u>\$ 91,594</u>	<u>\$ 118,534</u>	<u>\$ 112,250</u>
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 91,594</u></b>	<b><u>\$ 118,534</u></b>	<b><u>\$ 112,250</u></b>
<b>ENVIRONMENTAL STEWARDSHIP FUND:</b>			
<i>Grants and Subsidies:</i>			
Storm Water, Water and Sewer Grants (EA).....	\$ 0	\$ 23,985	\$ 32,030
<b>ENVIRONMENTAL STEWARDSHIP FUND TOTAL.....</b>	<b><u>\$ 0</u></b>	<b><u>\$ 23,985</u></b>	<b><u>\$ 32,030</u></b>
<b>OTHER FUNDS:</b>			
<b>PENNVEST FUND:</b>			
PENNVEST Operations (EA).....	\$ 2,616	\$ 2,683	\$ 2,442
Grants - Other Revenue Sources (EA).....	1,822	2,125	2,125
Revenue Bond Loan Pool (EA).....	0	10	10
Public Revolving Loans and Administration.....	15,589	40,000	40,010
Private Revolving Loans.....	2,654	2,000	2,000
PENNVEST Drinking Water Revolving Fund (EA).....	0	0	12,000
<b>PENNVEST FUND TOTAL.....</b>	<b><u>\$ 22,681</u></b>	<b><u>\$ 46,818</u></b>	<b><u>\$ 58,587</u></b>
<b>PENNVEST WATER POLLUTION CONTROL REVOLVING FUND:</b>			
PENNVEST Water Pollution Control Revolving Fund.....	\$ 10,397	\$ 13,300	\$ 13,000
Additional Sewage Projects Revolving Loans (EA).....	917	20,000	20,000
Sewage Projects Revolving Loan Fund.....	0 <sup>a</sup>	0 <sup>a</sup>	0 <sup>a</sup>
On-lot Sewage Disposal Systems.....	0 <sup>b</sup>	0 <sup>b</sup>	0 <sup>b</sup>
Rural Communities Wastewater Treatment.....	0 <sup>c</sup>	0 <sup>c</sup>	0 <sup>c</sup>
<b>PENNVEST WATER POLLUTION CONTROL REVOLVING FUND TOTAL.....</b>	<b><u>\$ 11,314</u></b>	<b><u>\$ 33,300</u></b>	<b><u>\$ 33,000</u></b>
<b>PENNVEST DRINKING WATER REVOLVING FUND:</b>			
PENNVEST Drinking Water Project Revolving Fund.....	\$ 5,769	\$ 12,000	\$ 12,000
Drinking Water Projects Revolving Loan Fund.....	0 <sup>d</sup>	0 <sup>d</sup>	0 <sup>d</sup>
Loan Program Administration.....	0 <sup>e</sup>	0 <sup>e</sup>	0 <sup>e</sup>
<b>PENNVEST DRINKING WATER REVOLVING FUND TOTAL.....</b>	<b><u>\$ 5,769</u></b>	<b><u>\$ 12,000</u></b>	<b><u>\$ 12,000</u></b>
<b>PENNVEST REVOLVING FUND:</b>			
PENNVEST Revolving Fund.....	\$ 0	\$ 2,000	\$ 2,000
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	23,985	32,030
FEDERAL FUNDS.....	91,594	118,534	112,250
OTHER FUNDS.....	39,764	94,118	105,587
<b>TOTAL ALL FUNDS.....</b>	<b><u>\$ 131,358</u></b>	<b><u>\$ 236,637</u></b>	<b><u>\$ 249,867</u></b>



## Footnotes to Summary by Fund and Appropriation

- 
- <sup>a</sup> Not added to the total to avoid double counting Federal funds: 1998-99 Actual is \$63,613,000, 1999-2000 Available is \$65,500,000 and 2000-01 Budget is \$65,600,000.
  - <sup>b</sup> Not added to the total to avoid double counting Federal funds: 1998-99 Actual is \$1,000,000, 1999-2000 Available is \$1,000,000 and 2000-01 Budget is \$400,000.
  - <sup>c</sup> Not added to the total to avoid double counting Federal funds: 1998-99 Actual is \$1,044,000, 1999-2000 Available is \$1,734,000 and 2000-01 Budget is \$1,500,000.
  - <sup>d</sup> Not added to the total to avoid double counting Federal funds: 1998-99 Actual is \$19,971,000, 1999-2000 Available is \$40,000,000 and 2000-01 Budget is \$40,000,000.
  - <sup>e</sup> Not added to the total to avoid double counting Federal funds: 1998-99 Actual is \$879,000, 1999-2000 Available is \$2,300,000 and 2000-01 Budget is \$1,130,000.



## Program Funding Summary

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>PENNVEST</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	0	23,985	32,030	32,030	32,030	32,030	0
FEDERAL FUNDS.....	91,594	118,534	112,250	112,250	112,250	112,250	112,250
OTHER FUNDS.....	39,764	94,118	105,587	148,526	150,226	151,827	152,429
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 131,358</b>	<b>\$ 236,637</b>	<b>\$ 249,867</b>	<b>\$ 292,806</b>	<b>\$ 294,506</b>	<b>\$ 296,107</b>	<b>\$ 264,679</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	0	23,985	32,030	32,030	32,030	32,030	0
FEDERAL FUNDS.....	91,594	118,534	112,250	112,250	112,250	112,250	112,250
OTHER FUNDS.....	39,764	94,118	105,587	148,526	150,226	151,827	152,429
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 131,358</b>	<b>\$ 236,637</b>	<b>\$ 249,867</b>	<b>\$ 292,806</b>	<b>\$ 294,506</b>	<b>\$ 296,107</b>	<b>\$ 264,679</b>



# 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, municipal sewage treatment facilities and stormwater control projects.

## Program: PENNVEST

The PENNVEST Program authorized by Act 16 of 1988 provides an investment pool of capital to rebuild and expand community drinking water systems and municipal sewage treatment facilities in the Commonwealth. These systems and facilities are essential for the protection of public health and the promotion of economic development. Many systems and facilities need to be repaired, upgraded or expanded to meet environmental standards and economic development goals. Act 5 of 1992 established a program to fund stormwater control projects. Funding these needed improvements has often proved difficult, especially for small communities.

Initial funding for the PENNVEST Fund came from several sources: 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 a drinking water project revolving loan fund, and some available Capital Facilities bonds. Act 5 of 1992 authorized a \$350 million bond issue, which was approved by referendum, to provide additional funding for the program. In 1990-91, the PENNVEST Revenue Bond Pool Program began providing funding. Act 68 of 1999 also provides additional grant funds for storm water, water and sewer projects as part of the Growing Greener initiatives. Added to this are 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, sewage and stormwater systems they own. Loans are available to individual homeowners to upgrade their on-lot septic systems. The Pennsylvania Infrastructure Investment Authority, supported by the Department of Environmental Protection, helps system owners apply for funding, provides technical assistance in planning and designing projects, and, if necessary, reviews the applicant operations to improve efficiency.

To facilitate fund management and accounting, several separate funds have been established. The PENNVEST Fund serves as the repository of interest and investment income, and loan repayments. Loans and grants and 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 Drinking Water Fund combines Federal seed money and the Commonwealth's required matching funds to create a revolving loan fund for drinking water projects and technical assistance. The PENNVEST Revolving Fund and the PENNVEST Non-Revolving Equity Fund receive the proceeds from the sale of bonds mentioned above. The PENNVEST Revenue Bond Pool is supported by loan interest and principal repayments from loans and disburses the proceeds from the sale of PENNVEST Revenue Bonds.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-2004	2004-05
PENNVEST projects implemented .....	83	85	95	100	100	100	85
PENNVEST awards (in millions):							
Loans .....	\$ 101	\$ 180	\$ 180	\$ 180	\$ 180	\$ 180	\$ 180
Grants .....	2	12	48	34	34	34	2
Total .....	\$ <u>103</u>	\$ <u>192</u>	\$ <u>228</u>	\$ <u>214</u>	\$ <u>214</u>	\$ <u>214</u>	\$ <u>182</u>

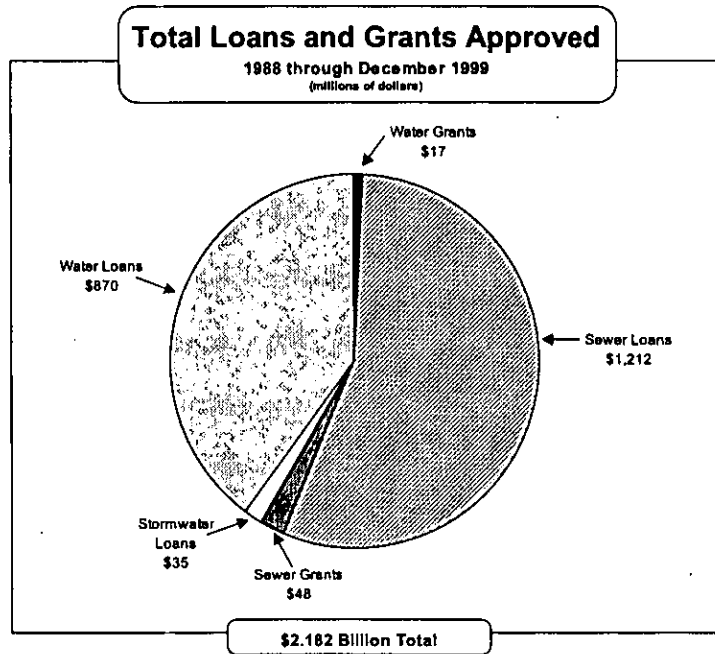
The number of projects and awards has been changed from projections in last year's budget to show revised estimates based on actual activity and additional funding from the Environmental Stewardship Fund.





# Infrastructure Investment Authority

Program: PENNVEST (continued)



**Program Recommendation:**

This budget recommends the following changes: (Dollar Amounts in Thousands)

<b>ENVIRONMENTAL STEWARDSHIP FUND</b>	
<b>PENNVEST</b>	
\$ 32,030	— PRR — Vision for the 21st Century Environment. This Program Revision provides grants for storm water, water and sewer projects as part of the Growing Greener initiative. See the Program Revision following the Environmental Protection and Management program in the Department of Environmental Protection for additional information.
-23,985	— for 1999-00 storm water grants and water and sewer projects related to the Growing Greener initiative.
\$ 8,045	<i>Appropriation Increase</i>

Grant disbursements totalling \$2.125 million and administrative costs are to be funded from existing non-General Fund sources.

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>ENVIRONMENTAL STEWARDSHIP FUND:</b>							
Storm Water, Water and Sewer							
Grants (EA) .....	\$ 0	\$ 23,985	\$ 32,030	\$ 32,030	\$ 32,030	\$ 32,030	\$ 0





---

# INSURANCE DEPARTMENT

*The mission of the Insurance Department is to serve Pennsylvania's insurance consumers through fair and efficient regulation of the insurance industry.*

The Insurance Department executes the insurance laws of the Commonwealth, monitors the financial solvency of insurance companies conducting business in Pennsylvania, regulates insurance rates and policy forms, licenses insurance companies and producers to conduct business in the state, and liquidates insolvent insurance companies. The Department answers consumer inquiries, responds to consumer complaints, and produces and distributes educational information on insurance.

The Insurance Department manages the Children's Health Insurance Program (CHIP), which provides free or subsidized health care insurance for children of low-income working parents. The Department manages the underground Storage Tank Indemnification Fund, the Catastrophic Loss Benefits Continuation Fund, and the Worker's Compensation Security Fund.



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
General Government Operations.....	\$ 16,546	\$ 18,041	\$ 18,847
(A)Companies in Liquidation.....	1,411	1,325	1,259
(A)Duplicating and Mailing Services.....	57	45	45
(A)Workers' Compensation Security Services.....	207	217	171
(A)Reimbursements - Examination Travel.....	660	675	675
(A)Reimbursements - Market Conduct Travel.....	162	120	120
(A)Underground Storage Tank Indemnification Fund Expense.....	14	18	14
(A)Reimbursement - Catastrophic Loss Benefits Continuation Fund.....	24	24	25
Children's Health Insurance Administration.....	250	1,053	1,504
(F)Children's Health Insurance Administration.....	930	2,099	3,053
Children's Health Insurance.....	0	35,000	35,000
(F)Children's Health Insurance Program.....	35,874	49,700 <sup>a</sup>	113,932
Adult Health Insurance Administration.....	0	0	1,087
Subtotal - State Funds.....	\$ 16,796	\$ 54,094	\$ 56,438
Subtotal - Federal Funds.....	36,804	51,799	116,985
Subtotal - Augmentations.....	2,535	2,424	2,309
Total - General Government.....	\$ 56,135	\$ 108,317	\$ 175,732
STATE FUNDS.....	\$ 16,796	\$ 54,094	\$ 56,438
FEDERAL FUNDS.....	36,804	51,799	116,985
AUGMENTATIONS.....	2,535	2,424	2,309
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 56,135</b>	<b>\$ 108,317</b>	<b>\$ 175,732</b>
<b>TOBACCO SETTLEMENT FUND:</b>			
<i>General Government:</i>			
Adult Health Insurance Program.....	\$ 0	\$ 0	\$ 105,755
<b>TOBACCO SETTLEMENT FUND TOTAL.....</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 105,755</b>
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Children's Health Insurance Program.....	\$ 21,975	\$ 29,899	\$ 32,000
<b>CATASTROPHIC LOSS BENEFITS CONTINUATION FUND:</b>			
Administration (EA).....	\$ 1,301	\$ 1,229	\$ 1,331
Claims (EA).....	15,300	14,300	14,300
Loan Repayment(EA).....	6,000	12,000	12,000
<b>CATASTROPHIC LOSS BENEFITS CONTINUATION FUND TOTAL.....</b>	<b>\$ 22,601</b>	<b>\$ 27,529</b>	<b>\$ 27,631</b>
<b>UNDERGROUND STORAGE TANK INDEMNIFICATION FUND:</b>			
Administration (EA).....	\$ 3,941	\$ 4,985	\$ 5,074
Claims (EA).....	31,500	40,000	35,000
<b>UNDERGROUND STORAGE TANK INDEMNIFICATION FUND TOTAL.....</b>	<b>\$ 35,441</b>	<b>\$ 44,985</b>	<b>\$ 40,074</b>



**Summary by Fund and Appropriation**

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 16,796	\$ 54,094	\$ 56,438
SPECIAL FUNDS.....	0	0	105,755
FEDERAL FUNDS.....	36,804	51,799	116,985
AUGMENTATIONS.....	2,535	2,424	2,309
OTHER FUNDS.....	80,017	102,413	99,705
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 136,152</b>	<b>\$ 210,730</b>	<b>\$ 381,192</b>

<sup>a</sup> Actually appropriated as \$115,901,000. Amount shown is the best current estimate of the amount available for 1999-00. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.



**Program Funding Summary**

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>INSURANCE INDUSTRY REGULATION</b>							
GENERAL FUND.....	\$ 16,796	\$ 54,094	\$ 56,438	\$ 56,867	\$ 57,304	\$ 57,750	\$ 58,205
SPECIAL FUNDS.....	0	0	105,755	114,174	137,644	139,006	122,131
FEDERAL FUNDS.....	36,804	51,799	116,985	116,985	116,985	116,985	116,985
OTHER FUNDS.....	82,552	104,837	102,014	102,188	102,366	91,089	85,634
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 136,152</b>	<b>\$ 210,730</b>	<b>\$ 381,192</b>	<b>\$ 390,214</b>	<b>\$ 414,299</b>	<b>\$ 404,830</b>	<b>\$ 382,955</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 16,796	\$ 54,094	\$ 56,438	\$ 56,867	\$ 57,304	\$ 57,750	\$ 58,205
SPECIAL FUNDS.....	0	0	105,755	114,174	137,644	139,006	122,131
FEDERAL FUNDS.....	36,804	51,799	116,985	116,985	116,985	116,985	116,985
OTHER FUNDS.....	82,552	104,837	102,014	102,188	102,366	91,089	85,634
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 136,152</b>	<b>\$ 210,730</b>	<b>\$ 381,192</b>	<b>\$ 390,214</b>	<b>\$ 414,299</b>	<b>\$ 404,830</b>	<b>\$ 382,955</b>



*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 and consumers 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 1,600 insurance companies; authorizes the admission of new insurers to the State; tests and licenses insurance agents, brokers and bondsmen; reviews and pre-approves over 20,000 rate and policy form filings each year; examines the financial solvency of 90 insurance companies annually; conducts adjudicatory hearings; and handles nearly 300,000 consumer inquiries annually.

The financial condition of insurers licensed to transact business in Pennsylvania is monitored and regulated through the department's examination and financial analysis functions. Because of the concern regarding the number of financially troubled insurers and national attention focused on the quality of state regulation and insurer solvency, the department continues to commit its resources to improvements in solvency regulation. An automated solvency surveillance system designed to permit earlier identification of potentially troubled insurers has been implemented, and resources continue to be focused on improving the effectiveness of regulatory actions taken to require insurers to correct problems before they lead to insolvency. These actions, together with statutory reforms, brought Pennsylvania into compliance with minimum standards for state regulation of insurer solvency developed by the National Association of Insurance Commissioners. In March 1999, the Department received its second 5-year accreditation for compliance with standards for state regulation of solvency monitoring and continues to keep pace with advances in solvency monitoring processes and technology. The Insurance Department's four regional offices provide the public with insurance information, education and complaint resolution services. The department also conducts field investigations of insurance law violations and undertakes on-site market conduct examinations of insurance company operations.

The Insurance Commissioner by law serves as Statutory Liquidator/Receiver for Pennsylvania domestic insurers found to be insolvent by the Commonwealth Court and for unlicensed insurance entities.

The department also manages the Children's Health Insurance Program (CHIP), which was established in Act 113 of 1992 and expanded dramatically with the passage of Act 68 of 1998. CHIP makes available to low-income working parents comprehensive free or low-cost health insurance for eligible children. CHIP offers a comprehensive package of benefits, including well and sick child visits, immunizations, prescription coverage, emergency care, inpatient services, mental health services and hearing, vision and dental services. Originally, Pennsylvania's program, established in 1993, provided the free program for those under 185 percent of poverty and the subsidized program for children from families earning between 185 percent and 235 percent of poverty. Effective July 1, 1998, the free program was expanded to children of families under 200 percent of poverty and the age limit was increased from sixteen to eighteen. The subsidized program, which provides half the cost of the insurance premium was expanded to 235 percent of poverty and the age limit was increased from age 5 to age 18. The coverage is funded from a portion of cigarette tax receipts, a State fund appropriation, the Federal Children's Health Insurance Program, under Title XXI of the Social Security Act, and is supplemented with payments by participating working families in accordance with a sliding fee scale. As of December 31, 1999, enrollment has increased to about 87,000 children.

The Catastrophic Loss Benefits Continuation Fund, funded through certain motor vehicle violation surcharge fees, provides benefits to Pennsylvanians who were catastrophically injured in motor vehicle accidents prior to January 1, 1990, and incurred medical expenses in excess of \$100,000 up to a lifetime aggregate of \$1 million.

The Underground Storage Tank Indemnification Fund, established pursuant to Act 32 of 1989, the Storage Tank and Spill Prevention Act, provides claims payments to owners and operators of underground storage tanks. The program is funded through a fee schedule based on the type of product stored in the underground storage tank. Act 13 of 1998 added new programs within the fund to take non-compliant tanks out of existence and clean up those sites. The new programs include the Tank Installation Indemnification Program in the Insurance Department, the Upgrade Loan Program in the Department of Community and Economic Development, and the Pollution Prevention and Environmental Clean Up Program through the Department of Environmental Protection.



## Program: Insurance Industry Regulation (continued)

Program Measures:	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Consumer savings from departmental intervention in insurance claim disputes (in thousands) .....	\$7,930	\$7,500	\$7,800	\$7,900	\$8,000	\$8,000	\$8,000
Companies in liquidation .....	15	12	4	4	0	0	0
Rate filings reviewed .....	6,276	6,250	6,250	6,250	6,250	6,250	6,250
Administrative hearings held .....	118	120	120	120	120	120	120
Policy/form filings reviewed .....	9,551	9,500	9,500	9,500	9,500	9,500	9,500
Continuing care providers regulated .....	107	105	105	105	105	105	105
Enforcement investigations completed .....	372	350	350	350	350	350	350
Insurer market conduct examinations completed .....	101	100	100	100	100	100	100
Producer licensing filings* .....	285,070	287,300	291,610	295,984	300,423	304,930	309,504
Children's Health Insurance Program enrollment .....	78,998	100,264	119,877	135,080	135,080	135,080	135,080

The increase in consumer savings from departmental intervention, compared to the estimate in last year's budget, reflects slower than expected increases in voluntary settlements concerning improper sales and marketing activities in the life insurance industry.

The increase in insurance companies in liquidation in 1998-99 reflects actual data; the decline in 1999-00 and beyond, compared to the estimate in prior budgets, is due, in part, to more aggressive efforts on behalf of the department to discharge estates in liquidation and to detect and intervene at a time when a corrective action plan can be developed by a company to prevent a liquidation or rehabilitation.

The decrease in rate and policy/form filings reviewed, compared to projections in last year's budget, is the result of Act 150 of 1998, the Property and Casualty Filing Reform Act, which allowed insurers to annually change the base rate charged to small businesses by plus or minus 10% without prior approval of the department.

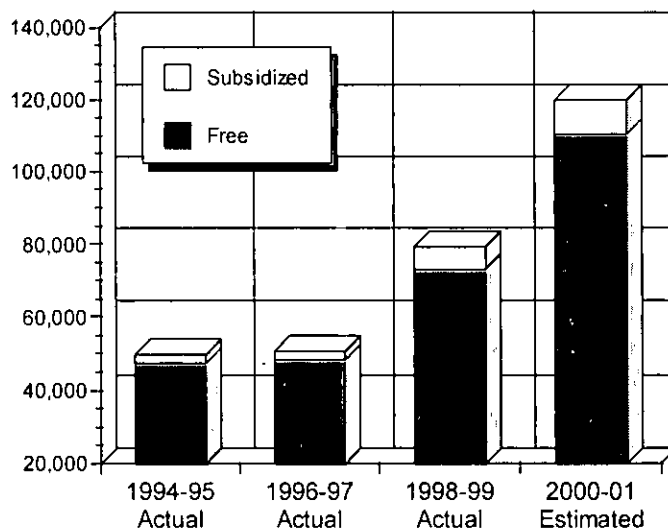
The decrease in administrative hearings held compared to the estimate in last year's budget is due to a reduction in homeowner insurance appeals being filed, a continued low number of auto insurance appeals and a greater percentage of appeals being resolved prior to hearing.

The increase in enforcement investigations completed compared to projections in last year's budget is attributed to criminal referrals resulting from provisions of the Federal Violent Crime Bill.

The decrease in the estimate of children served by the Children's Health Insurance Program from last year's budget document is due to actual experience and revised data available to forecast future growth in the program.

\* New measure showing applications for licenses by individual agents, insurance companies, banks, and credit unions.

## Children's Health Insurance Program Children Served



*Pennsylvania's Children's Health Insurance Program has been a national leader in ensuring that free or subsidized health care is available for children of low-income families. The enrollment has expanded from 49,659 children in 1994-95 to an estimated 119,887 children in 2000-01, an increase of 141 percent.*



## Program: Insurance Industry Regulation (continued)

### Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

**General Government Operations**  
 \$ 264 — to continue current program.  
 374 — advanced technology systems implementation.  
 168 — to implement an adult health insurance program.

\$ 806 *Appropriation Increase*

**Children's Health Insurance Administration**  
 \$ 69 — to continue current program.  
 -58 — nonrecurring office move.  
 440 — to expand outreach through an advertising campaign and community grants.

\$ 451 *Appropriation Increase*

**Adult Health Insurance Administration**  
 \$ 1,087 — to administer a program, funded from the Tobacco Settlement Fund, which will provide a health insurance program for low income adults.

Children's Health Insurance is continued at the current year level and will fund expansion to 119,877 children.

**TOBACCO SETTLEMENT FUND  
 Adult Health Insurance**  
 \$ 105,755 — for a subsidized health insurance program for adults with a household income of less than 200% of Federal poverty guidelines.



Includes PRIME recommendation to provide an internet application for insurance companies that want to expand or provide new types of insurance.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 16,546	\$ 18,041	\$ 18,847	\$ 19,224	\$ 19,608	\$ 20,000	\$ 20,400
Children's Health Insurance Administration .....	250	1,053	1,504	1,534	1,565	1,596	1,628
Children's Health Insurance .....	0	35,000	35,000	35,000	35,000	35,000	35,000
Adult Health Insurance Administration .....	0	0	1,087	1,109	1,131	1,154	1,177
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 16,796</b>	<b>54,094</b>	<b>\$ 56,438</b>	<b>\$ 56,867</b>	<b>\$ 57,304</b>	<b>\$ 57,750</b>	<b>\$ 58,205</b>
<b>TOBACCO SETTLEMENT FUND:</b>							
Adult Health Insurance Program .....	\$ 0	\$ 0	\$ 105,755	\$ 114,174	\$ 137,644	\$ 139,006	\$ 122,131







---

# DEPARTMENT OF LABOR AND INDUSTRY

*The mission of the Department of Labor and Industry is to foster and maintain economic growth and economic development in Pennsylvania.*

The mission is accomplished through programs which protect the health, welfare and safety of workers, provide meaningful job training and placement services, stabilize the incomes of injured, disabled or unemployed workers, and facilitate labor-management cooperation.



## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

1998-99                      1999-00                      2000-01  
ACTUAL                      AVAILABLE                      BUDGET

### GENERAL FUND:

#### General Government:

<b>General Government Operations</b> .....	\$ 10,616 a	\$ 13,613a	\$ 22,068
(F)National Occupational Information Coordinating Committee.....	160	311	318
(F)JTPA - Administration.....	4,685	6,873	0
(F)Workforce Investment Act - Administration.....	0	0	6,800
(F)Community Service and Corps.....	4,710	9,839	9,857
(F)Disability Determination.....	63,808	70,389	71,022
(F)New Hires.....	1,546	1,666	1,693
(A)Federal Indirect Cost Reimbursement.....	1,330	1,293	1,338
Subtotal.....	\$ 86,855	\$ 103,984	\$ 113,096
<b>Occupational and Industrial Safety</b> .....	10,065	10,240	11,576
(F)Asbestos Certification.....	76	133	79
(A)Federal Indirect Cost Reimbursements.....	1,200	1,228	1,200
<b>Internet Claims Processing</b> .....	0	0	500
<b>PENNSAFE</b> .....	1,134	1,247	1,389
(F)Pipeline Safety.....	63	78	72
(A)PENNSAFE.....	0	125	125
(R)Asbestos and Lead Certification (EA).....	1,339	1,394	1,436
<b>Pennsylvania Conservation Corps</b> .....	5,940	6,352	6,352
(F)Urban Youth Corps.....	73	1,500	0
Subtotal - State Funds.....	\$ 27,755	\$ 31,452	\$ 41,885
Subtotal - Federal Funds.....	75,121	90,789	89,841
Subtotal - Augmentations.....	2,530	2,646	2,663
Subtotal - Restricted Revenues.....	1,339	1,394	1,436
Total - General Government.....	\$ 106,745	\$ 126,281	\$ 135,825

#### Grants and Subsidies:

<b>Occupational Disease Payments</b> .....	\$ 3,475	\$ 3,261	\$ 3,473
<b>Vocational Rehabilitation Services</b> .....	2,000	2,000	2,060
<b>Entrepreneurial Assistance</b> .....	1,000	1,000	1,030
<b>Transfer to Vocational Rehabilitation Fund</b> .....	34,127 b	34,085	35,108
<b>Supported Employment</b> .....	1,000	1,000	1,050
<b>Centers for Independent Living</b> .....	1,080	1,160	1,218
<b>Workers' Compensation Payments</b> .....	412	400	330
<b>Training Activities</b> .....	2,500 c	2,500c	2,500
<b>Assistive Technology</b> .....	770 d	770d	809
<b>Employment Services</b> .....	6,162	6,012	5,162
(F)Joint Jobs Initiative.....	86,790	149,041	158,744
(F)JTPA - Grants to Service Delivery Areas.....	47,752	60,000	0
(F)JTPA - Summer Youth.....	51,888	45,000	0
(F)JTPA - Incentive Grants.....	2,726	3,000	0
(F)JTPA - Older Workers.....	2,593	2,900	0
(F)JTPA - Veterans Employment.....	0	635	0
(F)JTPA - Dislocated Workers.....	75,017	94,000	0
(F)Reed Act - Unemployment Insurance.....	0	0	11,000
(F)WIA - Adult Employment and Training.....	0	0	60,000
(F)WIA - Youth Employment and Training.....	0	0	52,000
(F)WIA - Statewide Activities.....	0	0	11,000
(F)WIA - Dislocated Workers.....	0	0	94,000
(F)Profile Reemployment (6/30/00).....	8,176	0	3,500
(A)Joint Jobs Initiative.....	46,345	56,152	40,000
Subtotal.....	\$ 327,449	\$ 416,740	\$ 435,406
<b>Labor Studies</b> .....	500	0	0
<b>Beacon Lodge Camp</b> .....	124 d	124	124



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
Subtotal - State Funds.....	\$ 53,150	\$ 52,312	\$ 52,864
Subtotal - Federal Funds.....	274,942	354,576	390,244
Subtotal - Augmentations.....	46,345	56,152	40,000
Total - Grants and Subsidies.....	<u>\$ 374,437</u>	<u>\$ 463,040</u>	<u>\$ 483,108</u>
STATE FUNDS.....	\$ 80,905	\$ 83,764	\$ 94,749
FEDERAL FUNDS.....	350,063	445,365	480,085
AUGMENTATIONS.....	48,875	58,798	42,663
RESTRICTED REVENUES.....	1,339	1,394	1,436
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 481,182</u></b>	<b><u>\$ 589,321</u></b>	<b><u>\$ 618,933</u></b>
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Vending Machine Proceeds - Surface Transportation.....	\$ 1,461 <sup>d</sup>	\$ 1,631	\$ 1,650
<b>ADMINISTRATION FUND:</b>			
Administration of Unemployment.....	\$ 195,934	\$ 195,489	\$ 195,595
<b>EMPLOYMENT FUND FOR THE BLIND:</b>			
General Operations.....	\$ 1,572 <sup>d</sup>	\$ 1,563	\$ 1,590
<b>HAZARDOUS MATERIAL RESPONSE FUND:</b>			
Hazardous Material Response Administration.....	\$ 77	\$ 60	\$ 60
<b>REHABILITATION CENTER FUND:</b>			
Operation of Rehabilitation Center.....	\$ 17,989	\$ 18,325	\$ 18,500
<b>VOCATIONAL REHABILITATION FUND:</b>			
Administration of Vocational Rehabilitation.....	\$ 122,590	\$ 125,954	\$ 124,371
<b>WORKMEN'S COMPENSATION ADMINISTRATION FUND:</b>			
Administration of Workers' Compensation.....	\$ 43,559	\$ 45,086	\$ 46,388
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 80,905	\$ 83,764	\$ 94,749
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	350,063	445,365	480,085
AUGMENTATIONS.....	48,875	58,798	42,663
RESTRICTED.....	1,339	1,394	1,436
OTHER FUNDS.....	383,182	388,108	388,154
<b>TOTAL ALL FUNDS.....</b>	<b><u>\$ 864,364</u></b>	<b><u>\$ 977,429</u></b>	<b><u>\$ 1,007,087</u></b>

<sup>a</sup> Includes \$125,000 actually appropriated as part of New Directions in the Department of Public Welfare.

<sup>b</sup> 1998-99 Actual includes \$8,329,000 actually appropriated as Services for the Visually Impaired, \$214,000 actually appropriated as part of General Government Operations, and \$10,000 actually appropriated as part of Information Systems in the Department of Public Welfare.

<sup>c</sup> Actually appropriated as Dislocated Workers.

<sup>d</sup> Actually appropriated in the Department of Public Welfare.



## Program Funding Summary

	(Dollar Amounts in Thousands)						
	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>COMMUNITY AND OCCUPATIONAL SAFETY AND STABILITY</b>							
GENERAL FUND.....	\$ 21,815	\$ 25,100	\$ 35,033	\$ 35,274	\$ 35,979	\$ 36,699	\$ 37,431
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	299	522	469	151	151	151	151
OTHER FUNDS.....	3,946	4,100	4,159	4,243	4,327	4,414	4,501
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 26,060</b>	<b>\$ 29,722</b>	<b>\$ 39,661</b>	<b>\$ 39,668</b>	<b>\$ 40,457</b>	<b>\$ 41,264</b>	<b>\$ 42,083</b>
<b>WORKERS COMPENSATION AND ASSISTANCE</b>							
GENERAL FUND.....	\$ 3,887	\$ 3,661	\$ 3,803	\$ 3,803	\$ 3,803	\$ 3,803	\$ 3,803
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	65,354	72,055	72,715	72,715	72,715	72,715	72,715
OTHER FUNDS.....	239,493	240,575	241,983	246,823	251,759	256,794	261,930
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 308,734</b>	<b>\$ 316,291</b>	<b>\$ 318,501</b>	<b>\$ 323,341</b>	<b>\$ 328,277</b>	<b>\$ 333,312</b>	<b>\$ 338,448</b>
<b>WORKFORCE INVESTMENT</b>							
GENERAL FUND.....	\$ 15,102	\$ 14,864	\$ 14,514	\$ 11,641	\$ 11,271	\$ 11,403	\$ 11,538
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	284,410	372,788	406,901	312,157	277,157	277,157	277,157
OTHER FUNDS.....	46,345	56,152	40,000	40,000	40,000	40,000	40,000
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 345,857</b>	<b>\$ 443,804</b>	<b>\$ 461,415</b>	<b>\$ 363,798</b>	<b>\$ 328,428</b>	<b>\$ 328,560</b>	<b>\$ 328,695</b>
<b>VOCATIONAL REHABILITATION</b>							
GENERAL FUND.....	\$ 40,101	\$ 40,139	\$ 41,399	\$ 41,399	\$ 41,399	\$ 41,399	\$ 41,399
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	143,612	147,473	146,111	149,033	152,013	155,053	158,155
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 183,713</b>	<b>\$ 187,612</b>	<b>\$ 187,510</b>	<b>\$ 190,432</b>	<b>\$ 193,412</b>	<b>\$ 196,452</b>	<b>\$ 199,554</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 80,905	\$ 83,764	\$ 94,749	\$ 92,117	\$ 92,452	\$ 93,304	\$ 94,171
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	350,063	445,365	480,085	385,023	350,023	350,023	350,023
OTHER FUNDS.....	433,396	448,300	432,253	440,099	448,099	456,261	464,586
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 864,364</b>	<b>\$ 977,429</b>	<b>\$ 1,007,087</b>	<b>\$ 917,239</b>	<b>\$ 890,574</b>	<b>\$ 899,588</b>	<b>\$ 908,780</b>



*PROGRAM OBJECTIVE: To further economic development in the Commonwealth by promoting the health, welfare and safety of employes, and acting to maintain continuous production and employment through mediation.*

## Program: Community and Occupational Safety and Stability

The department is responsible for administering a wide range of laws designed to enhance income security, safeguard the health of workers and the general public, protect the rights of Pennsylvania workers, and promote labor relations stability and labor-management cooperation.

### **Program Element: Income Security and Workers' Rights**

The income of employes 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 employes and employers about the laws, conducts investigations and resolves disputes.

### **Program Element: Labor Relations**

Labor relations stability is promoted through the provision of mediation services to the public and private sectors. Under the Public Employe 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 Employe Relations Act and acts relating 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 promotes labor-management cooperation through support of and coordination with the area labor-management committees

throughout Pennsylvania. The Pennsylvania Bureau of Mediation provides technical assistance as facilitator for cooperative programs. In addition to promoting labor-management cooperation, the office also recognizes and awards existing successful labor-management cooperation efforts in the Commonwealth. It provides support and technical assistance to the Governor's Committee on Economic Growth through Labor-Management Cooperation.

### **Program Element: Public Health and Safety**

The Fire and Panic, Building Energy Conservation, Elevator, Bedding and Upholstery, Stuffed Toy, Employment Agency, LP Gas, Boiler, Lead Certification, 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.

Act 45 of 1999 requires the Department of Labor and Industry to adopt nationally recognized building and construction codes to serve as a Pennsylvania Construction Code for the Commonwealth. The department will establish a program of training, including continuing education, testing and certification for code administrators, municipal code officials, construction code officials or persons designated by the Department.

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 employes and those in the mining industry, and provides about 40 education/outreach programs annually. The department also enforces the Underground Utility Protection Law to prevent the damage of underground utility lines.

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: Community and Occupational Safety and Stability (continued)

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Minimum wage violations cited .....	470	500	1,000	1,000	1,000	1,000	1,000
Child labor law violations .....	442	450	450	450	450	450	450
Nonpayment of wage violations .....	2,134	2,200	2,200	2,200	2,200	2,200	2,200
Mediated cases involving work stoppages:							
Public bargaining units .....	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
Private bargaining units .....	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Unfair labor practice cases concluded .....	515	515	515	515	515	515	515
Union representation cases concluded .....	220	220	220	220	220	220	220
Total inspections performed .....	131,215	132,000	132,000	132,000	132,000	132,000	132,000
Prevailing wage law violations .....	31	38	38	38	38	38	38
Building approvals issued .....	15,155	14,500	14,500	14,500	14,500	14,500	14,500
New buildings certified .....	9,561	8,500	8,500	8,500	8,500	8,500	8,500
Renovations of existing buildings certified .....	5,594	6,000	6,000	6,000	6,000	6,000	6,000

Minimum wage violations were less than projected in last year's budget. The inspections are scheduled in response to complaints which are difficult to predict.

The percentage of mediated cases involving public bargaining unit work stoppages was higher while the percentage for private bargaining work unit work stoppages was less than projected in last year's budget because these occurrences are difficult to precisely estimate. The overall number of work stoppages in the Commonwealth remained very low.

Unfair labor practice cases concluded, union representation cases concluded and prevailing wage law violations were less than projected in last year's budget due to improved economic conditions.

New buildings certified were greater and renovations of existing buildings certified were less than projected in last year's budget due to an improved business climate.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	<b>GENERAL FUND</b>				<b>Occupational and Industrial Safety</b>
	<b>General Government Operations</b>		\$	-39	— nonrecurring information technology equipment.
\$	-200	— nonrecurring biennial prevailing wage survey.			
	327	— to continue current program.		622	— Initiative — Uniform Construction Code Act Implementation. To provide computer system upgrades, inspection standards training and certification, and administrative and operational support for implementation of uniform construction code standards.
	4,500	— to replace Federal funds for computer information technology upgrades and data outsourcing.			
	3,378	— to replace Federal funds for operational costs of the uninsured compensation and employment services programs.		267	— to increase boiler inspections.
	450	— to provide labor management cooperation grants.		486	— to continue current program.
			\$	1,336	<i>Appropriation Increase</i>
\$	8,455	<i>Appropriation Increase</i>			
			\$	142	<b>PENNSAFE</b>
					— to continue current program.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 10,616	\$ 13,613	\$ 22,068	\$ 22,509	\$ 22,959	\$ 23,418	\$ 23,886
Occupational and Industrial Safety .....	10,065	10,240	11,576	11,348	11,575	11,807	12,042
PENNSAFE .....	1,134	1,247	1,389	1,417	1,445	1,474	1,503
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 21,815</b>	<b>\$ 25,100</b>	<b>\$ 35,033</b>	<b>\$ 35,274</b>	<b>\$ 35,979</b>	<b>\$ 36,699</b>	<b>\$ 37,431</b>



*PROGRAM OBJECTIVE: To further economic development in the Commonwealth by stabilizing the incomes of employees who become unemployed.*

## Program: Workers' Compensation and Assistance

This program provides income and medical services security to qualifying individuals. This program includes workers' compensation, unemployment compensation, occupational disease payments, and Social Security disability payments.

Workers' Compensation is a system of payments made through private insurance companies, the State Workers' Insurance Fund, and self-insured employers to employees who sustain injuries or diseases during their course of employment. The Commonwealth's administrative expenses are funded from assessments on the insurance industry.

Act 57 of 1996 substantially amended the Workers' Compensation Act. The amendments addressed the high cost of workers' compensation in the Commonwealth with respect to premiums, wage benefits, medical treatment and review, and litigation. The amendments were intended to provide expedited settlement of issues, reduce fraud, counteract disincentives to return to work, and encourage workplace safety. Their impact is a reduction of burdensomely high costs for businesses and the resultant improvement of the business climate in the Commonwealth.

The department processes applications for Federal disability benefits, gathers medical evidence for each claim and makes recommendations to the Social Security Administration under the Social Security Administration's Disability Determination Program guidelines.

Occupational Disease Payments are made primarily to victims of silicosis, and related diseases, commonly referred to as "black lung." Victims of these diseases are covered based on their date of last exposure and disability.

Unemployment compensation payments are made to individuals and their dependents during periods of involuntary unemployment. The payments are funded from taxes on employers and employees paid into the Unemployment Compensation Trust Fund. The tax rates vary according to the financial condition of the fund. The maximum weekly benefit rate is calculated as 66 <sup>2</sup>/<sub>3</sub>% of the average weekly wage for the preceding year. The maximum weekly payment during calendar year 1999 was \$393.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Claimants qualifying for occupational disease payments out of Commonwealth funds .....	1,709	1,600	1,490	1,390	1,240	1,130	1,000
New claimants for workers' compensation payments .....	55,317	54,000	54,000	54,000	54,000	54,000	54,000
Total petitions assigned .....	59,770	60,000	60,000	58,000	58,000	56,000	56,000
Judges' decisions .....	67,010	66,000	65,000	63,000	62,000	61,000	60,000
Average time in days—Case filed/ concluded .....	300	280	240	240	240	230	230
New claims for unemployment compensation .....	554,779	586,000	591,000	600,000	600,000	600,000	600,000

The average time in days of cases filed and concluded was less than estimated in last year's budget due to an automated system for case management.



**Program: Workers' Compensation and Assistance (continued)**

**Program Recommendations:**

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$	212	<p><b>Occupational Disease Payments</b> —to continue current program.</p>	<p>In addition, this budget recommends the following changes for administration of the Workers' Compensation Program through the Workmen's Compensation Administration Fund.</p>
\$	-70	<p><b>Workers Compensation Payments</b> —nonrecurring payments. These payments are made 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 Workmen's Insurance Fund and by private insurance companies.</p>	<p><b>Administration of Workers' Compensation</b> —to continue current program.</p>
			\$ 1,302

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Occupational Disease Payments .....	\$ 3,475	\$ 3,261	\$ 3,473	\$ 3,473	\$ 3,473	\$ 3,473	\$ 3,473
Workers' Compensation Payments .....	412	400	330	330	330	330	330
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 3,887</b>	<b>\$ 3,661</b>	<b>\$ 3,803</b>	<b>\$ 3,803</b>	<b>\$ 3,803</b>	<b>\$ 3,803</b>	<b>\$ 3,803</b>





*PROGRAM OBJECTIVE: To provide meaningful job training and placement services in a coordinated role with other Commonwealth agencies, the private sector and the Federal Government in order to secure unsubsidized employment for unemployed Pennsylvanians.*

## Program: Workforce Investment

This program provides a range of employment and training services through the Team Pennsylvania CareerLink, the Bureau of Workforce Investment, the Bureau of Employer and Career Services, The Center of Workforce and Information and Analysis, the Bureau of Unemployment Compensation Benefits and Analysis, and the Pennsylvania Conservation Corps.

Team Pennsylvania CareerLink is a cooperative effort involving the Departments of Aging, Community and Economic Development, Education, Labor and Industry, and Public Welfare in partnership with private sector employers, trade associations, local elected officials, job seekers and community leaders to provide a one-stop delivery of career services.

The Federal Workforce Investment Act (WIA) of 1998, which repeals the Job Training Partnership Act and the Economic Dislocation and Worker Adjustment Assistance Act, effective July 1, 2000, will streamline the delivery of job training services. The WIA provides for an orderly transition from the Job Training Partnership Act programs to an improved workforce preparation and employment system.

Funding for numerous programs will be consolidated into three basic grants:

- adult employment and training
- disadvantaged youth employment and training
- adult education and family literacy programs

In addition, the law gives states and individuals more authority and responsibility for job training needs and decisions.

Job Centers are evolving into Team Pennsylvania Career Link Centers, a one-stop career development marketplace system. The transition will improve service for employers, job seekers and other customers by integrating systems and coordinating services. Services available at the centers will include: job search and placement assistance (including career counseling), labor market information (which identifies job vacancies, skills needed for in-demand jobs and local, regional and national trends), initial assessment of skills and needs, information about available services and follow-up services to help customers keep their jobs after placement.

Local workforce investment boards will plan and oversee the local delivery of services with approval by the Governor. The boards in partnership with local elected officials will identify providers of training services, monitor system

performance and help develop the labor market information system.

Eighty-five percent of the Federal funds appropriated for adult and youth services will be allocated to the local areas; the remainder will be reserved for Statewide activities.

Twenty percent of Federal funds appropriated for dislocated workers will provide national emergency grants, dislocated worker demonstration projects and technical assistance. Of the remaining eighty percent, sixty percent will be allocated to local areas, fifteen percent for Statewide activities and twenty-five percent for rapid response efforts.

The Department of Labor and Industry is the lead agency in administering interagency employment and training programs. The Joint Jobs Initiative is designed to target resources of the Departments of Labor and Industry, Public Welfare and Education to improve job training and employment service programs for welfare recipients. The Single Point of Contact (SPOC) program provides comprehensive employment and training services to Temporary Assistance to Needy Families (TANF) recipients with multiple barriers to employment. Services are co-located in county assistance offices. Funding for this program is provided by each of the three agencies involved.

The department provides funds to assist dislocated workers through training programs, rapid response efforts, support services, and needs based payments. Act 97 of 1997 created the Self-Employment Assistance Program that will provide entrepreneurial training, counseling, and technical assistance to 1,000 dislocated workers.

The department's Rapid Response Program is operated by the Dislocated Worker Unit in conjunction with the Department of Community and Economic Development. When a business relocates to another State or employees are laid off, the Department of Labor and Industry'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 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.



# Labor and Industry

## Program: Workforce Investment (continued)

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Individuals placed through Job Service .....	74,546	74,732	74,919	75,106	75,294	75,482	75,671
<b>Employment and Training:</b>							
Enrollments .....	47,113	46,170	45,247	45,292	44,386	44,386	44,386
Placements .....	15,904	15,586	15,274	14,969	14,669	14,376	14,088
Welfare recipients served .....	16,843	16,843	16,843	16,843	16,843	16,843	16,843
<b>Joint Jobs Initiative:</b>							
Welfare recipients who completed training .....	4,395	4,483	4,661	4,754	4,849	4,946	5,042
Welfare recipients placed .....	3,044	3,196	3,167	3,230	3,294	3,360	3,425
Average hourly wage .....	\$6.89	\$7.02	\$7.16	\$7.30	\$7.45	\$7.60	\$7.75
Individuals enrolled in on-the-job training .....	2,091	2,049	2,008	1,968	1,929	1,890	1,851
<b>Dislocated workers:</b>							
Dislocated workers placed .....	7,930	7,158	6,876	6,738	6,603	6,471	6,342
Average hourly wage .....	\$10.71	\$10.92	\$11.14	\$11.36	\$11.59	\$11.82	\$12.06

Enrollments and placements in employment and training, welfare recipients served who completed training and welfare recipients placed were less than estimated in last year's budget based on current data. The trend of enrollments in employment and training is downward in recognition of the lessened need expected as a result of the improved workforce development programs and a strong economy. The trend for welfare recipients placed is slightly increasing due to the continued priority to serve those individuals.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 500 **Internet Claims Processing**  
 — Initiative — Web-based Unemployment Compensation Claims System. To develop and implement an internet-based system for processing new and reactivated claims for unemployment compensation.

\$ -850 **Employment Services**  
 — nonrecurring projects.

Pennsylvania Conservation Corps and Training Activities (formerly titled Dislocated Workers) are recommended at the current year funding levels.

In addition, \$2,000,000 in Federal funds is provided for expanding access to and providing financial assistance for qualified incumbent workers and other eligible job seekers seeking internet-based skills training.

A total of \$46,901,000 in Federal and other funds is budgeted for this program in 2000-01.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Internet Claims Processing .....	\$ 0	\$ 0	\$ 500	\$ 500	\$ 0	\$ 0	\$ 0
Pennsylvania Conservation Corps .....	5,940	6,352	6,352	6,479	6,609	6,741	6,876
Training Activities .....	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Employment Services .....	6,162	6,012	5,162	2,162	2,162	2,162	2,162
Labor Studies .....	500	0	0	0	0	0	0
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 15,102</b>	<b>\$ 14,864</b>	<b>\$ 14,514</b>	<b>\$ 11,641</b>	<b>\$ 11,271</b>	<b>\$ 11,403</b>	<b>\$ 11,538</b>



**PROGRAM OBJECTIVE:** To enable eligible persons with disabilities to obtain competitive employment.

## Program: Vocational Rehabilitation

This program, conducted in conjunction with the Federal Government, targets the estimated 660,000 citizens of the Commonwealth who have physical or mental impairments that present a substantial impediment to employment. During 1998, approximately 70,000 customers with disabilities were referred to or served by OVR.

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 extensive and varied services over an extended period of time. State and Federal funds are expended through the Vocational Rehabilitation Fund.

Act 15 of 1999 transferred the administration of services provided to persons who are blind or visually impaired from the Department of Public Welfare to the Department of Labor and Industry. This realignment provides more efficient and higher quality services while maintaining a distinct and specialized service model.

Training and employment services are provided to those

most likely to be employed in the short term through the fully State funded Vocational Rehabilitation Services Program.

To address the needs of individuals who do not meet Federal eligibility criteria, State funds are provided for the Centers for Independent Living (CILs). CILs are non-residential centers that provide information and referral services, peer counseling, independent living skills training and other services to Pennsylvanians with disabilities.

The Supported Employment Program improves employment opportunities for those previously considered to have disabilities so severe that they could not benefit from the traditional vocational rehabilitation program. Supported employment combines job placement in the community with job training at the job site. Full-time training and support services are provided.

This program also includes the Hiram G. Andrews Center in Johnstown. The center is funded from fees for services rendered. The center provides a wide array of vocational rehabilitation and job training services.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Caseload:</b>							
Carry-over .....	48,188	52,953	55,714	58,279	60,644	62,804	64,756
New referrals .....	26,811	25,000	25,000	25,000	25,000	25,000	25,000
<b>Total caseload .....</b>	<b>74,999</b>	<b>77,953</b>	<b>80,714</b>	<b>83,279</b>	<b>85,644</b>	<b>87,804</b>	<b>89,756</b>
<b>Cases closed:</b>							
Ineligible or plan not initiated .....	6,970	6,977	6,984	6,991	6,998	7,005	7,012
Placed in private employment .....	8,860	9,037	9,218	9,402	9,590	9,782	9,978
Placed in noncompetitive employment such as sheltered workshops .....	130	133	135	138	141	144	147
Nonrehabilitated .....	6,086	6,092	6,098	6,104	6,111	6,117	6,123
<b>Total cases closed .....</b>	<b>22,046</b>	<b>22,239</b>	<b>22,435</b>	<b>22,635</b>	<b>22,840</b>	<b>23,048</b>	<b>23,260</b>
<b>Cases Carried Over .....</b>	<b>52,953</b>	<b>55,714</b>	<b>58,279</b>	<b>60,644</b>	<b>62,804</b>	<b>64,756</b>	<b>66,496</b>
<b>Severely Disabled Rehabilitated .....</b>	<b>8,856</b>	<b>9,033</b>	<b>9,214</b>	<b>9,398</b>	<b>9,586</b>	<b>9,778</b>	<b>9,973</b>
<b>Services for the Visually Impaired:</b>							
Persons who are blind or visually impaired...	11,832	12,500	13,300	14,000	14,750	15,600	16,400
Persons who are blind or visually impaired placed in employment .....	403	445	465	480	495	520	530

New referrals were higher than projected in last year's budget due improved access to services through the internet.

Persons placed in private employment are more and persons placed in noncompetitive employment are less than projected in last year's budget due to an increased emphasis on placements in competitive jobs.

Services for persons who are blind or visually impaired is greater than projected last year's budget due to increased efforts to serve customers.



## Program: Vocational Rehabilitation (continued)

Program Measures: (continued)	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Economic/client earnings information:							
Average weekly earnings for clients closed as competitively employed .....	\$290	\$296	\$302	\$308	\$314	\$320	\$327
Total weekly earnings for clients closed as competitively employed (in thousands) .....	\$2,569	\$2,673	\$2,781	\$2,894	\$3,010	\$3,132	\$3,259
Average taxes paid by a competitively employed client .....	\$3,921	\$3,999	\$4,079	\$4,161	\$4,244	\$4,329	\$4,415
Total taxes paid by competitively employed clients (in thousands) .....	\$34,738	\$36,142	\$37,602	\$39,121	\$40,701	\$42,346	\$44,057

Average and total taxes paid by competitively employed customers are higher than estimated in last year's budget due to increased starting wages and salaries.

<b>Program Recommendations:</b>	This budget recommends the following changes: (Dollar Amounts in Thousands)
---------------------------------	---

<p>\$ 60 Vocational Rehabilitation Services — to continue current program.</p> <p>\$ 30 Entrepreneurial Assistance — to continue current program.</p> <p>\$ 1,023 Transfer to Vocational Rehabilitation Fund — to continue current program.</p>	<p>\$ 50 Supported Employment — to continue current program.</p> <p>\$ 58 Centers for Independent Living — to continue current program.</p> <p>\$ 39 Assistive Technology — to continue current program.</p>
---	--

Beacon Lodge Camp is recommended at the current year funding level.

<b>Appropriations within this Program:</b>	(Dollar Amounts in Thousands)
--	-------------------------------

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Vocational Rehabilitation Services .....	\$ 2,000	\$ 2,000	\$ 2,060	\$ 2,060	\$ 2,060	\$ 2,060	\$ 2,060
Entrepreneurial Assistance .....	1,000	1,000	1,030	1,030	1,030	1,030	1,030
Transfer to Vocational Rehabilitation Fund .....	34,127	34,085	35,108	35,108	35,108	35,108	35,108
Supported Employment .....	1,000	1,000	1,050	1,050	1,050	1,050	1,050
Centers for Independent Living .....	1,080	1,160	1,218	1,218	1,218	1,218	1,218
Assistive Technology .....	770	770	809	809	809	809	809
Beacon Lodge Camp .....	124	124	124	124	124	124	124
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 40,101</b>	<b>\$ 40,139</b>	<b>\$ 41,399</b>	<b>\$ 41,399</b>	<b>\$ 41,399</b>	<b>\$ 41,399</b>	<b>\$ 41,399</b>





---

# LIQUOR CONTROL BOARD

*The mission of the Liquor Control Board is to regulate the beverage alcohol industry in a fair and consistent manner; provide the best service to our customers through modern, convenient outlets, superior product selection and competitive prices in a controlled environment; and to provide factual information on alcohol and its effects through a comprehensive alcohol education program.*

The Liquor Control Board controls the manufacture, possession, sale, consumption, importation, use, storage, transportation and delivery of liquor, alcohol and malt or brewed beverages in the Commonwealth.

The board consists of three members appointed by the Governor and confirmed by the Senate.

The dollar amounts shown are from the State Stores Fund, a special enterprise fund, and are reflected herein as "Other Funds."



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99	1999-00	2000-01
	ACTUAL	AVAILABLE	BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
(F)Community Underage Drinking Project-NHTSA.....	\$ 80	\$ 0	\$ 0
(F)State College Alcohol Coalition - DOE.....	0	36 <sup>a</sup>	127
(F)Community Underage Drinking Project - NHTSA.....	0	51	0
(F)Combat Underage Drinking Grant.....	26	0	0
(F)Combat Underage Drinking College /Community Grants.....	10	35	0
(F)Pennsylvanians Against Underage Drinking Grant.....	100	200	100
Subtotal - Federal Funds.....	216	322	227
Total - General Government.....	<u>\$ 216</u>	<u>\$ 322</u>	<u>\$ 227</u>
<b>GENERAL FUND TOTAL.....</b>	<b><u>\$ 216</u></b>	<b><u>\$ 322</u></b>	<b><u>\$ 227</u></b>
<b>OTHER FUNDS:</b>			
<b>STATE STORES FUND:</b>			
General Operations (EA).....	\$ 219,827	\$ 230,771	\$ 241,051
Malt Beverage Surcharge.....	85	0	0
Underage Drinking Coalition Grant.....	224	264	143
Sale of Vehicles.....	23	0	0
Comptroller Operations (EA).....	7,076	7,383	7,604
Transfer of Profits to General Fund (EA).....	50,000	50,000	50,000
<b>STATE STORES FUND TOTAL.....</b>	<b><u>\$ 277,235</u></b>	<b><u>\$ 288,418</u></b>	<b><u>\$ 298,798</u></b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	216	322	227
OTHER FUNDS.....	277,235	288,418	298,798
<b>TOTAL ALL FUNDS.....</b>	<b><u>\$ 277,451</u></b>	<b><u>\$ 288,740</u></b>	<b><u>\$ 299,025</u></b>

<sup>a</sup> Includes recommended supplemental appropriation of \$36,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>LIQUOR CONTROL</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	216	322	227	86	0	0	0
OTHER FUNDS.....	277,235	288,418	298,798	306,039	313,642	321,472	329,535
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 277,451</b>	<b>\$ 288,740</b>	<b>\$ 299,025</b>	<b>\$ 306,125</b>	<b>\$ 313,642</b>	<b>\$ 321,472</b>	<b>\$ 329,535</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	216	322	227	86	0	0	0
OTHER FUNDS.....	277,235	288,418	298,798	306,039	313,642	321,472	329,535
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 277,451</b>	<b>\$ 288,740</b>	<b>\$ 299,025</b>	<b>\$ 306,125</b>	<b>\$ 313,642</b>	<b>\$ 321,472</b>	<b>\$ 329,535</b>



**PROGRAM OBJECTIVE:** To control the manufacture, distribution and sale of alcoholic beverages in Pennsylvania.

## Program: Liquor Control

All bottle sales of wines and spirits in Pennsylvania, with the exception of sales by licensed limited wineries, are made through approximately 650 State Liquor Stores operated by the Liquor Control Board. This includes both retail sales to individual consumers, and wholesale sales to those private establishments which sell by the drink. In addition, the board licenses those private establishments that make retail sales of alcoholic beverages 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 all, some 73,000 licensing transactions of all types are processed each year.

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.

To ensure the safety and security of all Pennsylvanians the Liquor Control Board has, since 1990, operated a Nuisance Bar program. This program supports a task force that utilizes the expertise of representatives of community affairs offices, district attorney offices, local and State Police, drug task forces, local communities and the General Assembly. If the licensee has abused its licensing privilege and through its conduct or record of violations demonstrates a pattern of activities which threatens the health and safety of the local community, the Liquor Control

Board will refuse to renew its license. As of September 1999, the board has objected to the renewal of over 580 licenses.

In 1994, the Liquor Control Board formalized its commitment to providing information about alcohol consumption by establishing the Bureau of Alcohol Education. The bureau's mission is threefold and consists of: a no-alcohol use or "zero tolerance" message to all citizens under the age of 21, encouraging responsibility and moderation for any adult age 21 and over who chooses to drink alcohol beverages, and promoting responsible alcohol beverage service and practices among licensees and persons that serve alcoholic beverages in Pennsylvania. The components of this mission are being accomplished by:

- Developing and disseminating a wide variety of free alcohol education materials (3.5 million pieces last year);
- Conducting several programs for youth, adults and beverage alcohol licensees;
- Bringing together and working with coalitions and partnerships with similar goals;
- Attending and participating in many local and statewide events to promote appropriate messages;
- Utilizing the Pennsylvania Liquor Control Board's resources to increase public awareness of this mission and;
- Developing and maintaining a web site to deliver information and interact with the public.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Pennsylvania State Liquor Stores .....	647	650	652	654	656	658	660
Gross Sales (includes taxes) (in thousands) .....	\$1,002,008	\$1,053,749	\$1,074,824	\$1,096,320	\$1,118,246	\$1,140,611	\$1,163,423
Alcohol Education Presentations .....	932	965	990	1,020	1,053	1,090	1,120

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<b>General Operations</b>	<b>Comptroller Operations</b>
\$ 10,280 —to continue current program.	\$ 221 —to continue current program.

Transfer of profits to the General Fund is recommended at the current year level of \$50 million.







---

# DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

*The Department of Military and Veterans Affairs has a two-fold mission. The Federal mission is to provide 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. The Bureau of Veterans Affairs mission is to provide world-class service to Pennsylvania veterans, their spouses, and their dependents by operating a network of veterans assistance programs, veterans homes, and Scotland School for Veterans Children.*

The Department of Military and Veterans Affairs consists of the Adjutant General, the State Armory Board, the State Veterans' Commission, the Soldiers and Sailors Home at Erie, the Veterans Home at Hollidaysburg, the Southeastern Veterans Home at Spring City, the Northeastern Home at Scranton, the Southwestern Veterans Home at Pittsburgh and the Scotland School for Veterans Children near Chambersburg.



## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
--	-------------------	----------------------	-------------------

### GENERAL FUND:

#### General Government:

<b>General Government Operations</b> .....	<b>\$ 14,937</b>	<b>\$ 15,599</b>	<b>\$ 16,360</b>
(F)Facilities Maintenance.....	6,114	14,750	12,892
(F)May-June 1998 Storm Disaster - Disaster Assistance.....	69	0	0
(F)Employee Support.....	1,669	2,201	2,589
(F)Telecommunications Expansion.....	815	1,040	1,040
(F)Federal Construction Grants.....	25,700	25,700	25,700
(F)Fort Indiantown Gap Base Realignment.....	3,702	8,400	7,457
(F)DCSI - Law Enforcement Training.....	138	0	0
(A)Rental of Armories and Other Facilities.....	122	122	122
(A)Lt. Governor's Residence.....	27	28	29
(A)Housing Fees.....	35	65	70
(A)Utility Reimbursements.....	30	231	240
(A)Recreational reimbursements.....	0	29	42
(A)Publication Reimbursements.....	5	0	0
(A)Miscellaneous Reimbursements.....	3	4	4
Burial Detail Honor Guard.....	0	40	40
American Battle Monuments.....	4	6	20
Veterans' Memorial.....	0	2,000	0
World War II National Memorial.....	0	2,000	0
Armory Maintenance and Repair.....	960	1,000	1,250
Drug Interdiction.....	11	62	62
Special State Duty.....	47	100	100
Base Realignment and Closure.....	27	100	100
Subtotal.....	<b>\$ 54,415</b>	<b>\$ 73,477</b>	<b>\$ 68,117</b>
Subtotal - State Funds.....	\$ 15,986	\$ 20,907	\$ 17,932
Subtotal - Federal Funds.....	38,207	52,091	49,678
Subtotal - Augmentations.....	222	479	507
Total - General Government.....	<b>\$ 54,415</b>	<b>\$ 73,477</b>	<b>\$ 68,117</b>

#### Institutional:

<b>Erie Soldiers and Sailors Home</b> .....	<b>\$ 5,757</b>	<b>\$ 5,915</b>	<b>\$ 5,770</b>
(F)Operations and Maintenance.....	1,820	1,905	2,043
(F)Medical Reimbursement.....	50	55	55
(A)Aid and Attendance Payments.....	378	410	402
(A)Residents Fees.....	1,742	1,650	1,800
(A)Federal Veterans Centers.....	45	45	45
Subtotal.....	<b>\$ 9,792</b>	<b>\$ 9,980</b>	<b>\$ 10,115</b>
<b>Holidaysburg Veterans Home</b> .....	<b>18,868</b>	<b>20,012</b>	<b>19,558</b>
(F)Operations and Maintenance.....	5,507	6,036	6,969
(F)Medical Reimbursement.....	348	200	156
(A)Aid and Attendance Payments.....	1,928	2,010	2,063
(A)Residents Fees.....	4,733	4,644	4,790
(A)Rental Receipts.....	2	12	12
Subtotal.....	<b>\$ 31,386</b>	<b>\$ 32,914</b>	<b>\$ 33,548</b>
<b>Southeastern Veterans Home</b> .....	<b>14,377</b>	<b>12,990</b>	<b>11,832</b>
(F)Operations and Maintenance.....	3,453	3,631	4,147
(F)Medical Reimbursements.....	5	70	70
(A)Aid and Attendance Payments.....	691	1,015	2,434
(A)Residents Fees.....	1,709	1,403	871
Subtotal.....	<b>\$ 20,235</b>	<b>\$ 19,109</b>	<b>\$ 19,354</b>
<b>Northeastern Veterans Home</b> .....	<b>7,191</b>	<b>7,404</b>	<b>7,250</b>
(F)Operations and Maintenance.....	2,765	3,368	3,407
(F)Medical Reimbursement.....	98	80	83



# Military and Veterans Affairs

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99	1999-00	2000-01
	ACTUAL	AVAILABLE	BUDGET
(A)Aid and Attendance Payments.....	953	1,103	1,186
(A)Residents Fees.....	1,985	1,655	1,780
Subtotal.....	<b>\$ 12,992</b>	<b>\$ 13,610</b>	<b>\$ 13,706</b>
<b>Southwestern Veterans Home.....</b>	<b>5,943</b>	<b>7,531</b>	<b>7,107</b>
(F)Operations and Maintenance.....	1,258	3,182	3,972
(F)Medical Reimbursement.....	0	15	20
(A)Aid and Attendance Payments.....	461	509	1,114
(A)Residents Fees.....	826	1,750	2,018
Subtotal.....	<b>\$ 8,488</b>	<b>\$ 12,987</b>	<b>\$ 14,231</b>
<b>Scotland School for Veterans' Children.....</b>	<b>6,749</b>	<b>6,943</b>	<b>7,344</b>
(F)ESEA Education Program.....	176	211	200
(F)School Milk Program.....	300	285	285
(F)Drug Free Schools and Communities - Scotland.....	1	2	2
(F)Technology Literacy Challenge.....	14	0	0
(A)Miscellaneous Reimbursements.....	99	95	108
(A)Tuition Recovery.....	1,795	1,849	1,904
(A)Performance Incentive Award.....	17	0	0
(A)Link to Learn.....	44	18	30
Subtotal.....	<b>\$ 9,195</b>	<b>\$ 9,403</b>	<b>\$ 9,873</b>
Subtotal - State Funds.....	<b>\$ 58,885</b>	<b>\$ 60,795</b>	<b>\$ 58,861</b>
Subtotal - Federal Funds.....	<b>15,795</b>	<b>19,040</b>	<b>21,409</b>
Subtotal - Augmentations.....	<b>17,408</b>	<b>18,168</b>	<b>20,557</b>
Total - Institutional.....	<b>\$ 92,088</b>	<b>\$ 98,003</b>	<b>\$ 100,827</b>
<b>Grants and Subsidies:</b>			
Education of Veterans Children.....	<b>\$ 150</b>	<b>\$ 170</b>	<b>\$ 190</b>
Education - National Guard.....	<b>3,089</b>	<b>4,782</b>	<b>4,782</b>
Veterans Assistance.....	<b>958</b>	<b>1,250</b>	<b>1,230</b>
Blind Veterans Pension.....	<b>155</b>	<b>235</b>	<b>235</b>
Paralyzed Veterans Pension.....	<b>283</b>	<b>415</b>	<b>415</b>
National Guard Pension.....	<b>1</b>	<b>5</b>	<b>5</b>
PA Air National Guard.....	<b>25</b>	<b>25</b>	<b>25</b>
Civil Air Patrol.....	<b>300</b>	<b>300</b>	<b>300</b>
Subtotal.....	<b>\$ 4,961</b>	<b>\$ 7,182</b>	<b>\$ 7,182</b>
Total - Grants and Subsidies.....	<b>\$ 4,961</b>	<b>\$ 7,182</b>	<b>\$ 7,182</b>
STATE FUNDS.....	<b>\$ 79,832</b>	<b>\$ 88,884</b>	<b>\$ 83,975</b>
FEDERAL FUNDS.....	<b>54,002</b>	<b>71,131</b>	<b>71,087</b>
AUGMENTATIONS.....	<b>17,630</b>	<b>18,647</b>	<b>21,064</b>
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 151,464</b>	<b>\$ 178,662</b>	<b>\$ 176,126</b>
<b>OTHER FUNDS:</b>			
<b>PENNSYLVANIA VETERANS MEMORIAL TRUST FUND:</b>			
Veterans Memorial(EA).....	<b>\$ 0</b>	<b>\$ 3,000</b>	<b>\$ 1,000</b>
<b>STATE TREASURY ARMORY FUND:</b>			
Armory Improvements.....	<b>\$ 1,292</b>	<b>\$ 1,224</b>	<b>\$ 500</b>



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 79,832	\$ 88,884	\$ 83,975
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	54,002	71,131	71,087
AUGMENTATIONS.....	17,630	18,647	21,064
OTHER FUNDS.....	1,292	4,224	1,500
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 152,756</b>	<b>\$ 182,886</b>	<b>\$ 177,626</b>

## Program Funding Summary

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>STATE MILITARY READINESS</b>							
GENERAL FUND.....	\$ 15,986	\$ 20,907	\$ 17,932	\$ 18,239	\$ 18,604	\$ 18,975	\$ 19,354
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	38,207	52,091	49,678	49,678	49,678	49,678	49,678
OTHER FUNDS.....	1,514	4,703	2,007	1,177	1,047	1,068	1,090
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 55,707</b>	<b>\$ 77,701</b>	<b>\$ 69,617</b>	<b>\$ 69,094</b>	<b>\$ 69,329</b>	<b>\$ 69,721</b>	<b>\$ 70,122</b>
<b>VETERANS HOMES AND SCHOOL</b>							
GENERAL FUND.....	\$ 58,885	\$ 60,795	\$ 58,861	\$ 60,038	\$ 61,239	\$ 62,464	\$ 63,713
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	15,795	19,040	21,409	21,409	21,409	21,409	21,409
OTHER FUNDS.....	17,408	18,168	20,557	20,968	21,388	21,816	22,253
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 92,088</b>	<b>\$ 98,003</b>	<b>\$ 100,827</b>	<b>\$ 102,415</b>	<b>\$ 104,036</b>	<b>\$ 105,689</b>	<b>\$ 107,375</b>
<b>COMPENSATION AND ASSISTANCE</b>							
GENERAL FUND.....	\$ 4,961	\$ 7,182	\$ 7,182	\$ 7,182	\$ 7,182	\$ 7,182	\$ 7,182
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
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 4,961</b>	<b>\$ 7,182</b>	<b>\$ 7,182</b>	<b>\$ 7,182</b>	<b>\$ 7,182</b>	<b>\$ 7,182</b>	<b>\$ 7,182</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 79,832	\$ 88,884	\$ 83,975	\$ 85,459	\$ 87,025	\$ 88,621	\$ 90,249
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	54,002	71,131	71,087	71,087	71,087	71,087	71,087
OTHER FUNDS.....	18,922	22,871	22,564	22,145	22,435	22,884	23,343
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 152,756</b>	<b>\$ 182,886</b>	<b>\$ 177,626</b>	<b>\$ 178,691</b>	<b>\$ 180,547</b>	<b>\$ 182,592</b>	<b>\$ 184,679</b>



**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, supplies and training, such as monthly training assemblies and 15 days annual training, are funded 100 percent by the Federal Government.

The readiness capability of Pennsylvania National Guard units is evaluated according to established Federal inspection and training standards. Primary efforts are directed toward having the Pennsylvania National Guard in top readiness condition in order to perform its State and

Federal missions. The training of personnel is directly dependent upon the adequacy of the operation, maintenance and repair of numerous National Guard armories, support facilities, Air National Guard bases and installations. A Statewide communications network is in operation which provides a quicker and more effective response to State or Federal mobilization.

Included within this program are those activities essential to operate a network of 96 community armories and 6 air bases which serve as training locations for National Guard units. The Commonwealth is responsible for providing for the operation, maintenance and repair of the armories. 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.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Pennsylvania National Guard personnel .....	20,283	20,283	20,283	20,283	20,283	20,283	20,283
Percentage of authorized strength level .....	90%	90%	90%	90%	90%	90%	90%

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$	564	<b>General Government Operations</b> — to continue current program.	\$	-2,000	<b>World War II National Memorial</b> — nonrecurring contribution for a national memorial honoring veterans of World War II.
	45	— to publish history of the Pennsylvania National Guard.			
	152	— to purchase equipment.			
\$	761	<i>Appropriation Increase</i>			
\$	14	<b>American Battle Monuments</b> — to provide maintenance on Pennsylvania battle monuments located in France.			
\$	-2,000	<b>Veterans Memorial</b> — nonrecurring contribution to the Pennsylvania Veterans Memorial Trust Fund.			<b>Armory Maintenance and Repair</b> — Initiative — Maintenance Improvements at Logistical Facilities. To support maintenance improvements at logistical facilities throughout the Commonwealth. In addition, \$750,000 in Federal funds is recommended to support this program.

All other appropriations are recommended at the current year funding level.



Includes PRIME recommendation to establish an Interstate Compact for Mutual Assistance. The department reached an agreement with the 54 territories and states which allows for disaster or emergency assistance to be provided across state boundaries without a Federal declaration of emergency. This will allow all states to work together and benefit from each other's resources, including the use of military personnel or emergency response equipment.

# Military and Veterans Affairs

## Program: State Military Readiness (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 14,937	\$ 15,599	\$ 16,360	\$ 16,636	\$ 16,969	\$ 17,308	\$ 17,654
Burial Detail Honor Guard .....	0	40	40	41	42	43	44
American Battle Monuments .....	4	6	20	20	20	20	20
Veterans' Memorial .....	0	2,000	0	0	0	0	0
World War II National Memorial .....	0	2,000	0	0	0	0	0
Armory Maintenance and Repair .....	960	1,000	1,250	1,275	1,301	1,327	1,354
Drug Interdiction .....	11	62	62	63	64	65	66
Special State Duty .....	47	100	100	102	104	106	108
Base Realignment and Closure .....	27	100	100	102	104	106	108
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 15,986</b>	<b>\$ 20,907</b>	<b>\$ 17,932</b>	<b>\$ 18,239</b>	<b>\$ 18,604</b>	<b>\$ 18,975</b>	<b>\$ 19,354</b>



**PROGRAM OBJECTIVE:** To provide nursing and domiciliary care for veterans and a school to educate veterans' children.

## Program: Veterans Homes and School

The Department of Military and Veterans Affairs provides skilled nursing and domiciliary care for veterans who are disabled, indigent or in need of care. There are five veterans homes currently providing such care: the Soldiers and Sailors Home in Erie, the Veterans Home at Hollidaysburg, the Southeastern Pennsylvania Veterans Center in Spring City, the Northeastern Veterans Center in Scranton and the Southwestern Veterans Center in Pittsburgh.

The fifth veterans home was constructed on the grounds of the U.S. Department of Veterans Affairs Highland Drive facility in Pittsburgh. Residents began to occupy the new 236-bed Southwestern Veterans Center during the fall of 1997. The home includes a 44 bed dementia care unit.

The program receives assistance from the Federal Department of Veterans Affairs at levels of \$21.43 per patient day for domiciliary care and \$50.55 per patient day for nursing home care.

Residents of State veterans homes receive a daily allowance from the Federal Department of Veterans Affairs. Residents use these funds plus their own funds to help offset the cost of their care.

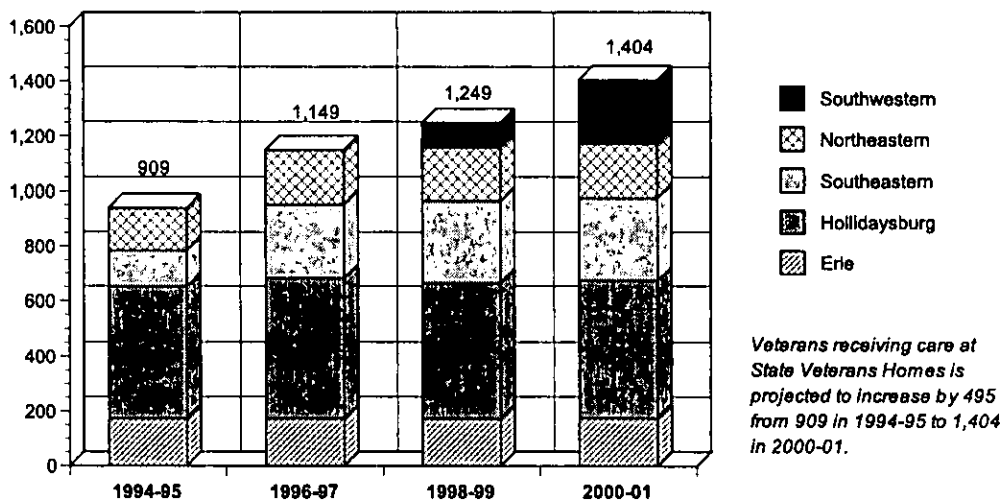
Scotland School for Veterans Children provides a student centered elementary and secondary curriculum for individual needs including college preparatory classes and vocational offerings.

### Program Measures:

	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Veterans Homes:</b>							
<b>Capacity (December):</b>							
Erie .....	175	175	175	175	175	175	175
Hollidaysburg .....	514	514	514	514	514	514	514
Southeastern .....	304	304	304	304	304	304	304
Northeastern .....	200	200	200	200	200	200	200
Southwestern .....	236	236	236	236	236	236	236
<b>Population (December):</b>							
Erie .....	172	173	174	174	174	174	174
Hollidaysburg .....	493	497	500	502	502	502	502
Southeastern .....	300	301	301	301	301	301	301
Northeastern .....	193	197	197	197	197	197	197
Southwestern .....	91	186	232	233	233	233	233
<b>Scotland School:</b>							
Capacity .....	350	375	375	375	375	375	375
Population .....	350	375	375	375	375	375	375

### State Veterans Homes

Veterans Receiving Care



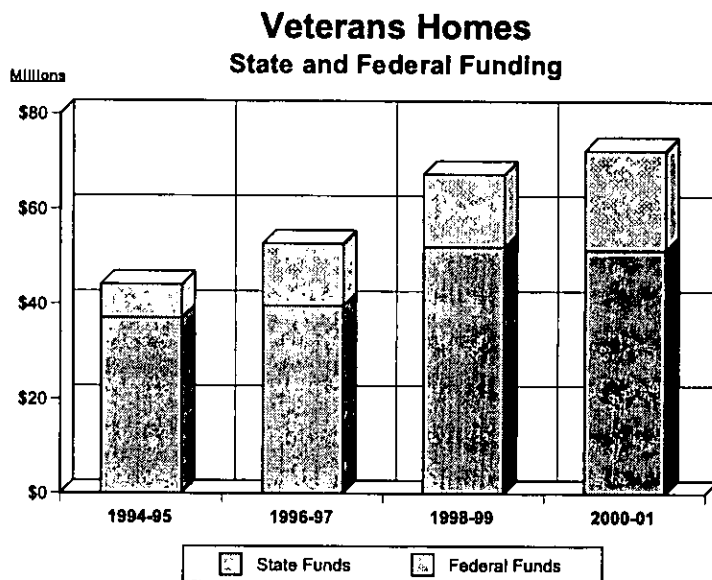


# Military and Veterans Affairs

## Program: Veterans Homes and School (continued)

### Expenditures by Institution: (Dollar Amounts in Thousands)

	1998-99	1999-00	2000-01		1998-99	1999-00	2000-01
	Actual	Available	Budget		Actual	Available	Budget
<b>Erie Soldiers and Sailors Home</b>				<b>Northeastern Veterans Home</b>			
State Funds.....	\$ 5,757	\$ 5,915	\$ 5,770	State Funds.....	\$ 7,191	\$ 7,404	\$ 7,250
Federal Funds.....	1,870	1,960	2,098	Federal Funds.....	2,863	3,448	3,490
Augmentations.....	2,165	2,105	2,247	Augmentations.....	2,938	2,758	2,966
<b>TOTAL.....</b>	<b>\$ 9,792</b>	<b>\$ 9,980</b>	<b>\$ 10,115</b>	<b>TOTAL.....</b>	<b>\$ 12,992</b>	<b>\$ 13,610</b>	<b>\$ 13,706</b>
<b>Hollidaysburg Veterans Home</b>				<b>Southwestern Veterans Home</b>			
State Funds.....	\$ 18,868	\$ 20,012	\$ 19,558	State Funds.....	\$ 5,943	\$ 7,531	\$ 7,107
Federal Funds.....	5,855	6,236	7,125	Federal Funds.....	1,258	3,197	3,992
Augmentations.....	6,663	6,666	6,865	Augmentations.....	1,287	2,259	3,132
<b>TOTAL.....</b>	<b>\$ 31,386</b>	<b>\$ 32,914</b>	<b>\$ 33,548</b>	<b>TOTAL.....</b>	<b>\$ 8,488</b>	<b>\$ 12,987</b>	<b>\$ 14,231</b>
<b>Southeastern Veterans Home</b>				<b>Scotland School for Veterans Children</b>			
State Funds.....	\$ 14,377	\$ 12,990	\$ 11,832	State Funds.....	\$ 6,749	\$ 6,943	\$ 7,344
Federal Funds.....	3,458	3,701	4,217	Federal Funds.....	491	498	487
Augmentations.....	2,400	2,418	3,305	Augmentations.....	1,955	1,962	2,042
<b>TOTAL.....</b>	<b>\$ 20,235</b>	<b>\$ 19,109</b>	<b>\$ 19,354</b>	<b>TOTAL.....</b>	<b>\$ 9,195</b>	<b>\$ 9,403</b>	<b>\$ 9,873</b>



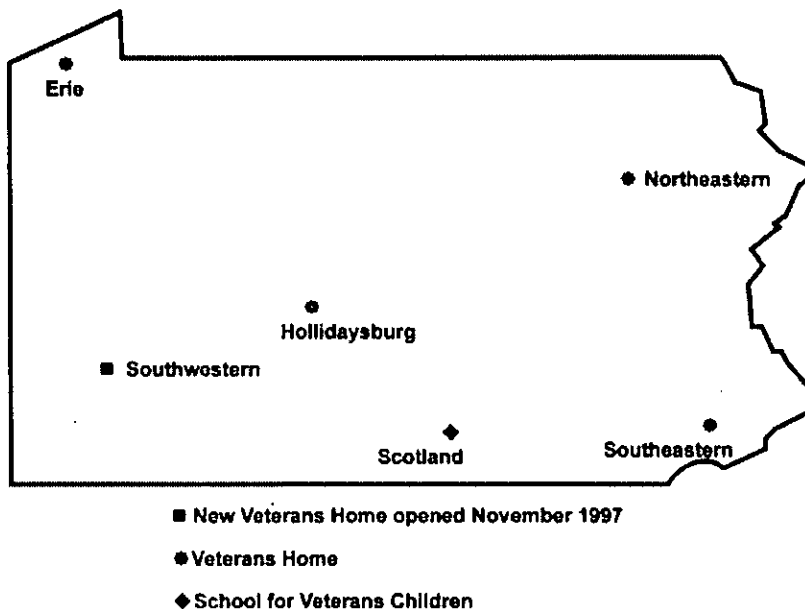
<b>Population and Capacity</b>				
Institution	Population Dec 1999	Projected Population Dec 2000	Projected Capacity Dec 2000	Projected Percent of Capacity
Erie Soldiers and Sailors Home.....	173	174	175	99%
Hollidaysburg Veterans Home.....	497	500	514	97%
Southeastern Veterans Home.....	301	301	304	99%
Northeastern Veterans Home.....	197	198	200	99%
Southwestern Veterans Home.....	186	232	236	98%
Scotland School for Veterans Children.....	375	375	375	100%
<b>Total.....</b>	<b>1,729</b>	<b>1,780</b>	<b>1,804</b>	<b>99%</b>



# Military and Veterans Affairs

Program: Veterans Homes and School (continued)

## Veterans Homes and School



### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	<b>Erie Soldiers and Sailors Home</b>
\$	-255 —nonrecurring operational costs.
	97 —for patient care equipment.
	13 —to continue current program.
<u>\$</u>	<u>-145</u> <i>Appropriation Decrease</i>
	<b>Hollidaysburg Veterans Home</b>
\$	-600 —nonrecurring improvements.
	-275 —nonrecurring operational costs.
	175 —for patient care equipment.
	246 —to continue current program.
<u>\$</u>	<u>-454</u> <i>Appropriation Decrease</i>
	<b>Southeastern Veterans Home</b>
\$	-733 —nonrecurring improvements.
	-679 —nonrecurring operational costs.
	254 —for patient care equipment.
<u>\$</u>	<u>-1,158</u> <i>Appropriation Decrease</i>

	<b>Northeastern Veterans Home</b>
\$	-219 —nonrecurring operational costs.
	65 —for patient care equipment.
<u>\$</u>	<u>-154</u> <i>Appropriation Decrease</i>

	<b>Southwestern Veterans Home</b>
\$	-498 —nonrecurring operational costs.
	74 —for patient care equipment.
<u>\$</u>	<u>-424</u> <i>Appropriation Decrease</i>

	<b>Scotland School for Veterans Children.</b>
\$	326 —to continue current program.
	75 —for athletic facility improvements
<u>\$</u>	<u>401</u> <i>Appropriation Increase</i>

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Erie Soldiers and Sailors Home .....	\$ 5,757	\$ 5,915	\$ 5,770	\$ 5,885	\$ 6,003	\$ 6,123	\$ 6,245
Hollidaysburg Veterans Home .....	18,868	20,012	19,558	19,949	20,348	20,755	21,170
Southeastern Veterans Home .....	14,377	12,990	11,832	12,069	12,310	12,556	12,807
Northeastern Veterans Home .....	7,191	7,404	7,250	7,395	7,543	7,694	7,848
Southwestern Veterans Home .....	5,943	7,531	7,107	7,249	7,394	7,542	7,693
Scotland School for Veterans' Children .....	6,749	6,943	7,344	7,491	7,641	7,794	7,950
<b>TOTAL GENERAL FUND .....</b>	<u>\$ 58,885</u>	<u>\$ 60,795</u>	<u>\$ 58,861</u>	<u>\$ 60,038</u>	<u>\$ 61,239</u>	<u>\$ 62,464</u>	<u>\$ 63,713</u>



# Military and Veterans 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 and Veterans Affairs administers several activities within this program.

### **Program Element: Veterans Assistance**

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.

### **Program Element: Blind Veterans Pension**

Pensions of \$150 per month are provided for those Pennsylvania veterans who incurred functional blindness while performing active military service.

### **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.

### **Program Element: Education of Children of Deceased and Disabled Veterans**

Educational grants are provided for children of honorably discharged veterans who have been certified as having

wartime service-connected disabilities rated as total and permanent or children of veterans who have died of war service-connected disabilities. Under current law, \$500 per semester is available for eligible students attending post secondary institutions within the Commonwealth.

### **Program Element: Education — National Guard**

Tuition grants are provided for certain members of the Pennsylvania National Guard who enroll in a Pennsylvania institution of higher learning with degree-granting status, as approved by the Department of Education. This educational assistance program was enhanced by Act 56 of 1996. Grants are available for full-time students for up to two-thirds of the tuition charged to a Pennsylvania resident at a member institution of the State System of Higher Education. These public service educational grants not only serve as an incentive to the Pennsylvania National Guard's recruiting and retention efforts but also reward those Pennsylvanians who volunteer to serve their nation and the Commonwealth.

### **Program Element: Paralyzed Veterans Pension**

This program provides a pension of \$150 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.

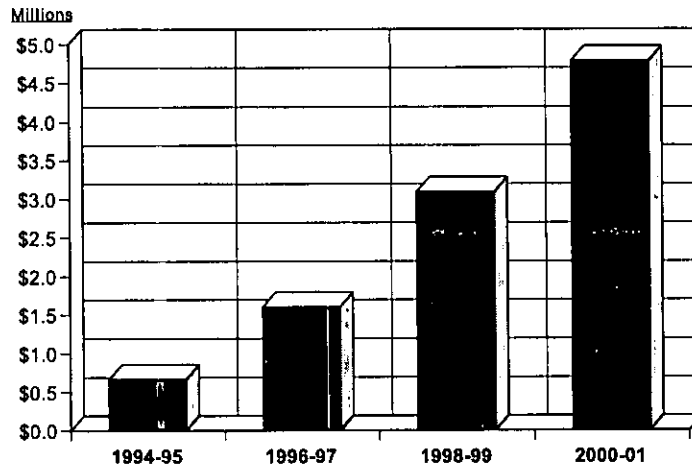
<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Veterans in Pennsylvania .....	1,296,398	1,276,398	1,256,000	1,246,000	1,236,000	1,226,000	1,216,000
Recipients of veterans emergency assistance .....	6,117	6,100	6,100	6,000	6,000	6,000	6,000
Recipients of blind veterans pensions .....	122	122	122	120	120	120	120
Students receiving financial aid .....	132	133	138	138	140	140	140
National Guard personnel receiving educational financial aid .....	1,877	1,868	2,165	2,270	2,270	2,270	2,270
Participants in paralyzed veterans programs .....	219	217	217	215	215	215	215

Recipients of veterans emergency assistance have declined in recent years due to a favorable economy.



## Program: Compensation and Assistance (continued)

### Educational Financial Aid for National Guard Personnel



Beginning in 1996-97, the program was expanded to assist full-time as well as part-time students. Therefore, funding has increased from \$665,000 in 1994-95 to nearly \$4.8 million recommended for 2000-01 - an increase of over \$4.1 million or 619%.

#### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 20 Education of Veterans Children  
—for additional educational assistance to eligible children of veterans.

The budget recommends continuation of all other programs at sufficient levels to carry current programs forward.

#### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Education of Veterans Children .....	\$ 150	\$ 170	\$ 190	\$ 190	\$ 190	\$ 190	\$ 190
Education - National Guard .....	3,089	4,782	4,782	4,782	4,782	4,782	4,782
Veterans Assistance .....	958	1,250	1,230	1,230	1,230	1,230	1,230
Blind Veterans Pension .....	155	235	235	235	235	235	235
Paralyzed Veterans Pension .....	283	415	415	415	415	415	415
National Guard Pension .....	1	5	5	5	5	5	5
PA Air National Guard .....	25	25	25	25	25	25	25
Civil Air Patrol .....	300	300	300	300	300	300	300
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 4,961</b>	<b>\$ 7,182</b>	<b>\$ 7,182</b>	<b>\$ 7,182</b>	<b>\$ 7,182</b>	<b>\$ 7,182</b>	<b>\$ 7,182</b>





---

# MILK MARKETING BOARD

*The mission of the Milk Marketing Board is to ensure that Pennsylvania's dairy industry remains vital by providing a regulatory environment that facilitates a safe, adequate supply of wholesome milk while providing security for its dairy farmers and milk dealers, and protection for the public health and welfare of consumers.*



**Summary by Fund and Appropriation**

(Dollar Amounts in Thousands)

1998-99	1999-00	2000-01
ACTUAL	AVAILABLE	BUDGET

**MILK MARKETING FUND:**

*General Government:*

General Operations.....	\$	2,644	\$	2,360	\$	2,422
-------------------------	----	-------	----	-------	----	-------

<b>MILK MARKETING FUND TOTAL.....</b>	<b>\$</b>	<b>2,644</b>	<b>\$</b>	<b>2,360</b>	<b>\$</b>	<b>2,422</b>
---------------------------------------	-----------	--------------	-----------	--------------	-----------	--------------



## Program Funding Summary

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>MILK INDUSTRY REGULATION</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	2,644	2,360	2,422	2,470	2,520	2,570	2,622
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 2,644</b>	<b>\$ 2,360</b>	<b>\$ 2,422</b>	<b>\$ 2,470</b>	<b>\$ 2,520</b>	<b>\$ 2,570</b>	<b>\$ 2,622</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	2,644	2,360	2,422	2,470	2,520	2,570	2,622
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 2,644</b>	<b>\$ 2,360</b>	<b>\$ 2,422</b>	<b>\$ 2,470</b>	<b>\$ 2,520</b>	<b>\$ 2,570</b>	<b>\$ 2,622</b>



*PROGRAM OBJECTIVE: To maintain an adequate supply of wholesome fluid milk.*

## Program: Milk Industry Regulation

The Milk Marketing Board is a special fund agency financed from milk industry license fees, permit fees and fines. The board supervises, inspects and regulates the milk industry of the Commonwealth and establishes reasonable trade control and marketing practices. It formulates policy, holds public hearings and subsequently issues and enforces General Marketing Orders, rules and regulations. The board also handles prosecution and levying of penalties against violators of the Milk Marketing Law, the Milk Producer's Security Act and board regulations.

The board's major function continues to be ensuring an adequate milk supply by setting minimum prices paid to farmers, minimum prices dealers can charge wholesale and retail customers, and minimum prices stores can charge consumers. The regulation process is complicated

by the existence of Federal Marketing Orders, which are prices established by the Federal Government, that must be paid to producers.

To regulate the market the board uses the ratio of the supply of fluid milk to demand. The ratio is based on long-term economic policy and suggests that a proper balance exists when the supply of fluid milk equals 125 percent of fluid sales, with a variance of eight percent in either direction. In 1998-99, the supply of milk was 126 percent of the demand. A ratio of 133 percent or more suggests that supply exceeds demand and that a review of producer and resale prices is warranted. A ratio of 117 percent or less suggests that demand exceeds supply and that prices should be reviewed to provide incentives for expanded production.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Licenses and permits issued .....	2,906	2,900	2,900	2,900	2,900	2,900	2,900
Audits of milk dealers for compliance with milk sales' rules and regulations .....	729	700	700	700	700	700	700

Dealer audits were less than projected in last year's budget due to the inclusion of other types of investigations in last year's measure. The measure now reflects the specific audits performed.

<b>Program Recommendation:</b>	This budget recommends the following changes: (Dollar Amounts in Thousands)
--------------------------------	---

<b>MILK MARKETING FUND</b>		
<b>General Operations</b>		
\$	-53	—nonrecurring fixed assets.
	115	—to continue current program.
\$	62	<i>Appropriation Increase</i>

<b>Appropriations within this Program:</b>	(Dollar Amounts in Thousands)
--	-------------------------------

	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
<b>MILK MARKETING FUND:</b>							
General Operations .....	\$ 2,644	\$ 2,360	\$ 2,422	\$ 2,470	\$ 2,520	\$ 2,570	\$ 2,622







---

# BOARD OF PROBATION AND PAROLE

*The mission of the Board of Probation and Parole is to protect the safety of the public, address the needs of crime victims, improve county adult probation and parole services, and assist in the fair administration of justice by ensuring the custody, control and treatment of offenders under the jurisdiction of the Board.*

The Board of Probation and Parole rehabilitates and supervises persons on probation or parole, helping them to reintegrate within society. The Board provides for a release and reintegration into the community of persons in correctional institutions who have served their minimum sentence as well as detects those who cannot adjust to the community. State probation services and presentence investigations are also provided upon request from the courts. The Office of the Victim Advocate within the Board of Probation and Parole administers the victim service programs of both the board and the Department of Corrections. The Sexual Offenders Assessment Board is responsible for the review of registration of sexual offenders.



## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
--	-------------------	----------------------	-------------------

### GENERAL FUND:

#### General Government:

General Government Operations.....	\$ 60,237	\$ 67,073 <sup>a</sup>	\$ 69,565
(F)DCSI - County Adult Probation Automated System.....	1	0	0
(F)DCSI - Office of Victim Advocate.....	16	0	0
(F)DCSI - Office of Victim Advocate Automation Enhancement.....	67	119	0
(F)DCSI - Intensive Supervision Units.....	619	0	0
(F)DCSI - Automated File Location System.....	75	0	0
(F)Residential Substance Abuse Treatment.....	103	430	432
(F)DCSI - Residential Substance Abuse Treatment Aftercare.....	0	395	351
(F)DCSI - County SAVE.....	214	933	697
(F)DCSI - Digital Photograph System.....	0	556	0
(A)Purchasing Card Rebate.....	2	0	6
(A)State Parole Supervision Fees.....	1,102	630	504
<b>Sexual Offenders Assessment Board.....</b>	<b>557</b>	<b>1,191</b>	<b>2,097</b>
(F)DCSI - Assessment Board.....	385	395	0
<b>Drug Offenders Work Program.....</b>	<b>233</b>	<b>252</b>	<b>238</b>
Subtotal - State Funds.....	\$ 61,027	\$ 68,516	\$ 71,900
Subtotal - Federal Funds.....	1,480	2,828	1,480
Subtotal - Augmentations.....	1,104	630	510
<b>Total - General Government.....</b>	<b>\$ 63,611</b>	<b>\$ 71,974</b>	<b>\$ 73,890</b>

#### Grants and Subsidies:

Improvement of Adult Probation Services.....	\$ 17,550	\$ 18,759	\$ 18,911
(A)County Parole Supervision Fees.....	8,916	7,728	8,900
Subtotal.....	\$ 26,466	\$ 26,487	\$ 27,811
Subtotal - State Funds.....	\$ 17,550	\$ 18,759	\$ 18,911
Subtotal - Augmentations.....	8,916	7,728	8,900
<b>Total - Grants and Subsidies.....</b>	<b>\$ 26,466</b>	<b>\$ 26,487</b>	<b>\$ 27,811</b>

STATE FUNDS.....	\$ 78,577	\$ 87,275	\$ 90,811
FEDERAL FUNDS.....	1,480	2,828	1,480
AUGMENTATIONS.....	10,020	8,358	9,410

<b>GENERAL FUND TOTAL.....</b>	<b>\$ 90,077</b>	<b>\$ 98,461</b>	<b>\$ 101,701</b>
--------------------------------	------------------	------------------	-------------------

### OTHER FUNDS:

#### GENERAL FUND:

Firearms Education and Training Commission.....	\$ 160	\$ 198	\$ 302
---	--------	--------	--------

#### DEPARTMENT TOTAL - ALL FUNDS

GENERAL FUND.....	\$ 78,577	\$ 87,275	\$ 90,811
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	1,480	2,828	1,480
AUGMENTATIONS.....	10,020	8,358	9,410
OTHER FUNDS.....	160	198	302
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 90,237</b>	<b>\$ 98,659</b>	<b>\$ 102,003</b>

<sup>a</sup> Includes \$185,000 actually appropriated as a part of State Match for DCSI Subgrants appropriation in Executive Offices.



## Program Funding Summary

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>REINTEGRATION OF THE ADULT OFFENDER</b>							
GENERAL FUND.....	\$ 78,577	\$ 87,275	\$ 90,811	\$ 91,690	\$ 93,158	\$ 94,655	\$ 96,183
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,480	2,828	1,480	957	432	432	432
OTHER FUNDS.....	10,180	8,556	9,712	9,728	9,744	9,760	9,777
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 90,237</b>	<b>\$ 98,659</b>	<b>\$ 102,003</b>	<b>\$ 102,375</b>	<b>\$ 103,334</b>	<b>\$ 104,847</b>	<b>\$ 106,392</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 78,577	\$ 87,275	\$ 90,811	\$ 91,690	\$ 93,158	\$ 94,655	\$ 96,183
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,480	2,828	1,480	957	432	432	432
OTHER FUNDS.....	10,180	8,556	9,712	9,728	9,744	9,760	9,777
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 90,237</b>	<b>\$ 98,659</b>	<b>\$ 102,003</b>	<b>\$ 102,375</b>	<b>\$ 103,334</b>	<b>\$ 104,847</b>	<b>\$ 106,392</b>



*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 board's primary goal is to protect the community from crime through a process of supervising offenders who are serving sentences in the community. 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 board also has quasi-judicial case decision-making responsibility. Two dominant types of decisions are made 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 presentence investigations and for improved probation supervision and programs. Act 134 of 1986, which amended the Probation and Parole Act, provides that counties shall be reimbursed for up to eighty percent 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.

Act 8 of Special Session One of 1995 created the Office of Victim Advocate within the board to represent the interests of crime victims before the board or the Department of Corrections.

Act 24 of 1995, or Megan's Law as it is commonly known, established the Sexual Offenders Assessment Board. The act requires sexually violent predators to register all current addresses upon release from incarceration or parole from a State, county or intermediate punishment program. The Pennsylvania State Police are required to verify the residence of sexually violent predators every 90 days. The offender's victim and neighbors must also be notified of the offender's address.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Probationers and parolees in caseload:							
County .....	183,073	187,156	196,007	204,859	213,710	222,561	231,413
State .....	20,451	20,843	21,485	21,706	21,982	22,397	22,808
Annual addition to caseload population .....	9,901	10,091	10,402	10,509	10,642	10,843	11,042
Investigative reports completed .....	19,192	19,560	20,162	20,370	20,629	21,018	21,404
Annual caseload additions likely to return to prison .....	3,564	3,633	3,745	3,783	3,831	3,904	3,975
and as a percentage of annual additions to caseload .....	36%	36%	36%	36%	36%	36%	36%
Average cases per parole agent .....	60	59	61	62	62	64	65



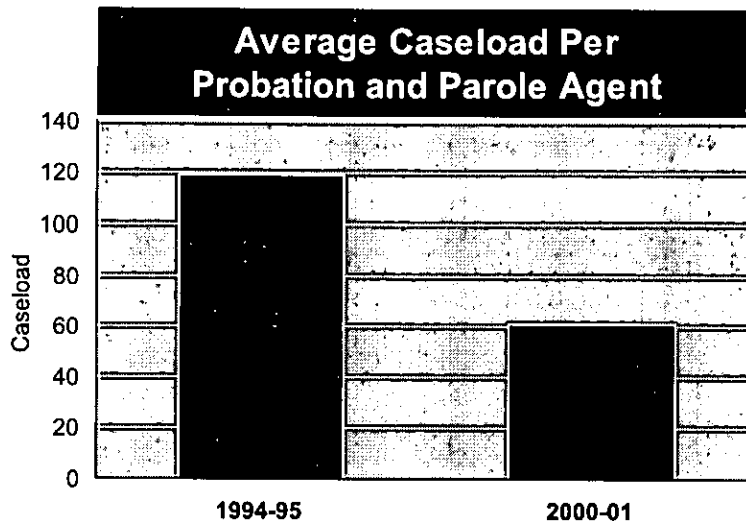
# Probation and Parole

## Program: Reintegration of the Adult Offender (continued)

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p><b>General Government Operations</b></p> <p>\$ 1,793 — to continue current program.</p> <p>437 — to increase State matching funds for Federal grants.</p> <p>262 — Initiative — Fatherhood. To interview and assess recent parolees to determine if referrals to community-based fatherhood programs will assist the parolees with reintegration to their families and communities.</p> <hr/> <p>\$ 2,492 <i>Appropriation Increase</i></p>	<p><b>Sexual Offenders Assessment Board</b></p> <p>\$ 520 — to continue current program.</p> <p>216 — increase in assessment costs.</p> <p>170 — increase in State match for DCSI grants.</p> <hr/> <p>\$ 906 <i>Appropriation Increase</i></p>	<p><b>Drug Offenders Work Program</b></p> <p>\$ -14 — nonrecurring operating expenses.</p>	<p><b>Improvement of Adult Probation Services</b></p> <p>\$ 152 — 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 county parole supervision. Estimated fee collections for 2000-01 are \$8,900,000. This amount will augment State funds of \$18,911,000 and provide \$27,811,000 or 77 percent reimbursement to the counties.</p>
--	---	--	--



The supervision of offenders by parole agents has been strengthened by reducing and maintaining the average agent's caseload at almost half of the 1994-95 actual caseload of 119. In 2000-01, it is estimated the average agent's caseload will be only 61.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
General Government Operations	\$ 60,237	\$ 67,073	\$ 69,565	\$ 70,397	\$ 71,817	\$ 73,265	\$ 74,743
Sexual Offenders Assessment Board	557	1,191	2,097	2,139	2,182	2,226	2,271
Drug Offenders Work Program	233	252	238	243	248	253	258
Improvement of Adult Probation Services	17,550	18,759	18,911	18,911	18,911	18,911	18,911
<b>TOTAL GENERAL FUND</b>	<b>\$ 78,577</b>	<b>\$ 87,275</b>	<b>\$ 90,811</b>	<b>\$ 91,690</b>	<b>\$ 93,158</b>	<b>\$ 94,655</b>	<b>\$ 96,183</b>





---

# PUBLIC TELEVISION NETWORK

*The mission of the Public Television Network Commission is to be a leader in using various technologies to educate, enlighten and connect citizens of all ages—contributing to the lives of families, the success of schools and colleges, the productivity of businesses and the quality of communities.*

The Public Television Network Commission promotes and encourages public television in Pennsylvania. The network facilities provide services to the eight public television stations and one affiliated station 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 grant program to support station operations, instructional television services, program production and program acquisition.



**Summary by Fund and Appropriation**

(Dollar Amounts in Thousands)

1998-99                      1999-00                      2000-01  
 ACTUAL                      AVAILABLE                      BUDGET

**GENERAL FUND:**

*General Government:*

General Government Operations.....	\$ 2,963	\$ 3,011	\$ 3,100
(A)Special Production Projects.....	11	0	0
Digital Equipment Conversion.....	3,000	7,800	5,770
Subtotal - State Funds.....	\$ 5,963	\$ 10,811	\$ 8,870
Subtotal - Augmentations.....	11	0	0
Total - General Government.....	\$ 5,974	\$ 10,811	\$ 8,870

*Grants and Subsidies:*

Public Television Station Grants.....	\$ 6,618	\$ 6,418	\$ 6,546
STATE FUNDS.....	\$ 12,581	\$ 17,229	\$ 15,416
AUGMENTATIONS.....	11	0	0
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 12,592</b>	<b>\$ 17,229</b>	<b>\$ 15,416</b>



Program Funding Summary

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>PUBLIC TELEVISION SERVICES</b>							
GENERAL FUND.....	\$ 12,581	\$ 17,229	\$ 15,416	\$ 9,708	\$ 9,771	\$ 9,836	\$ 9,902
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	11	0	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 12,592</b>	<b>\$ 17,229</b>	<b>\$ 15,416</b>	<b>\$ 9,708</b>	<b>\$ 9,771</b>	<b>\$ 9,836</b>	<b>\$ 9,902</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 12,581	\$ 17,229	\$ 15,416	\$ 9,708	\$ 9,771	\$ 9,836	\$ 9,902
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	11	0	0	0	0	0	0
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 12,592</b>	<b>\$ 17,229</b>	<b>\$ 15,416</b>	<b>\$ 9,708</b>	<b>\$ 9,771</b>	<b>\$ 9,836</b>	<b>\$ 9,902</b>





*PROGRAM OBJECTIVE: To provide for the development and support of Pennsylvania's network of noncommercial public television stations.*

## Program: Public Television Services

The Pennsylvania Public Television Network Commission established by Act 329 of 1968, links eight 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 Hershey. In addition, the commission funds a second public television station in Philadelphia that provides a different program service for its viewers.

Funding for the operations of the noncommercial television stations in Pennsylvania comes from several sources. Private donations from business and industry, and contributions from individuals provide over 60 percent of the revenue needed for operations. Grants from the Commonwealth and Federal Government also provide operating funds.

The operation of the network, located in Hershey, is fully funded by a General Fund appropriation. The network is directed by a commission that includes representatives from the eight stations, the education community, the Legislature, the Council on the Arts and the public. The commission provides 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 provides, through its facilities, a videoconferencing system for State agencies, which results in a reduction in travel time and expense.

Instructional television is provided by each of the stations in cooperation with school districts and intermediate units, which purchase 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 and utilize such network services as Pennsylvania Learning-on-Line. An increasing number of the stations broadcast 24 hours a day with telecourses, General Education Degree courses and a wide variety of educational programming carried during the early morning hours. Public stations provide 1,120 hours of broadcasting per week.

Currently, commercial and non-commercial television stations broadcast analog signals. The U.S. Congress has mandated that by May 1, 2003, all stations must transmit digital television signals along with analog. In addition, by 2006, all analog transmissions must cease provided that 85 percent of U.S. television households in a station's market can receive a digital signal. The differences in the signals are two-fold. First, a sharper, clearer picture can be received by a digital television set. Second, only one analog signal can be broadcast in a particular band. With digital signals, four separate programming signals can be sent within the same band. The Public Television Network will be coordinating the efforts among the member stations to effect the conversion.

### Program Measures:

	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Households watching public television at least once a week .....	3,072,228	3,100,000	3,100,000	3,100,000	3,100,000	3,100,000	3,100,000
Contributing memberships .....	296,000	300,000	305,000	305,000	310,000	310,000	310,000



# Public Television Network

## Program: Public Television Services (continued)

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 89	<b>General Government Operations</b> —to continue current program.	\$ 128	<b>Public Television Station Grants</b> —to continue current program.
\$ -7,800	<b>Digital Equipment Conversion</b> —nonrecurring costs of converting three public television stations from analog to digital signal broadcasting.		
5,770	—Initiative — Converting Public Television Stations to Digital Signal Equipment. To convert remaining public television stations from analog to digital signal broadcasting.		
\$ -2,030	<i>Appropriation Decrease</i>		

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 2,963	\$ 3,011	\$ 3,100	\$ 3,162	\$ 3,225	\$ 3,290	\$ 3,356
Digital Equipment Conversion .....	3,000	7,800	5,770	0	0	0	0
Public Television Station Grants .....	6,618	6,418	6,546	6,546	6,546	6,546	6,546
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 12,581</b>	<b>\$ 17,229</b>	<b>\$ 15,416</b>	<b>\$ 9,708</b>	<b>\$ 9,771</b>	<b>\$ 9,836</b>	<b>\$ 9,902</b>





---

# PUBLIC UTILITY COMMISSION

*The mission of the Public Utility Commission is to provide for regulation of public utilities and includes establishing reasonable rates; providing for safe service; conducting audits; and, ensuring compliance with public utility regulations.*

The commission is comprised of five members appointed by the Governor with Senate confirmation.

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. The commission spends directly from the restricted revenue account in which the utilities' payments are placed when collected.



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
(R)General Government Operations.....	\$ 38,784	\$ 40,611	\$ 40,370
(R)Consumer Education.....	180	0	0
(R)First Class City Taxicab Regulation.....	1,361	1,435	1,804
(F)Natural Gas Pipeline Safety.....	250	300 <sup>a</sup>	300
(F)Motor Carrier Safety.....	705	705	705
Subtotal - Federal Funds.....	955	1,005	1,005
Subtotal - Restricted Revenues.....	40,325	42,046	42,174
Total - General Government.....	\$ 41,280	\$ 43,051	\$ 43,179
FEDERAL FUNDS.....	955	1,005	1,005
RESTRICTED REVENUES.....	40,325	42,046	42,174
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 41,280</b>	<b>\$ 43,051</b>	<b>\$ 43,179</b>

<sup>a</sup> Includes recommended supplemental appropriation of \$50,000.



Program Funding Summary

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>REGULATION OF PUBLIC UTILITIES</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	955	1,005	1,005	1,005	1,005	1,005	1,005
OTHER FUNDS.....	40,325	42,046	42,174	46,247	47,108	47,986	48,935
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 41,280</b>	<b>\$ 43,051</b>	<b>\$ 43,179</b>	<b>\$ 47,252</b>	<b>\$ 48,113</b>	<b>\$ 48,991</b>	<b>\$ 49,940</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	955	1,005	1,005	1,005	1,005	1,005	1,005
OTHER FUNDS.....	40,325	42,046	42,174	46,247	47,108	47,986	48,935
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 41,280</b>	<b>\$ 43,051</b>	<b>\$ 43,179</b>	<b>\$ 47,252</b>	<b>\$ 48,113</b>	<b>\$ 48,991</b>	<b>\$ 49,940</b>



*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 Code requires the Public Utility Commission (PUC), an arm of the General Assembly, to ensure that safe and adequate utility service is available to the public at fair and reasonable rates.

The commission regulates about 7,547 utilities which include 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.

In 1998-99, the Public Utility Commission completed 35 fixed utility rate cases. Rate increases of nearly \$11.5 million were allowed. Rate increases of \$6 million requested by transportation utilities were also allowed.

Pennsylvania has taken a leadership role in the deregulation of the electric industry. Act 138 of 1996 has become model legislation for other states desiring to deregulate the electric industry with the intended effect of lowering electric utility rates through increased competition. Electric customers are able to choose the company which supplies their electricity.

Federal Law (P.L. 103-305) effective January 1, 1995, pre-empts State regulation of trucking rates and routes. The PUC's jurisdiction on motor carrier regulation has now been essentially limited to safety authority, insurance coverage, and transportation of household goods and passengers.

Act 21 of 1999 deregulated the natural gas industry. It allows for retail gas consumers to have the opportunity to choose their natural gas suppliers. The PUC provides

educational information to the consumers to help them benefit from the legislative and regulatory changes.

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 certain types of common carrier by motor vehicle type 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.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Utilities regulated:							
Fixed utilities:							
Electric distribution .....	16	16	15	15	15	15	15
Electric Generation .....	107	112	117	112	127	132	137
Other .....	1,092	1,242	1,282	1,322	1,352	1,382	1,412
Transportation .....	6,332	6,400	6,500	6,500	6,600	6,800	6,900
Rate requests received:							
Fixed utilities .....	35	35	30	30	30	30	30
Transportation .....	108	100	100	100	100	100	100
Rate cases completed:							
Fixed utilities .....	35	35	30	30	30	30	30
Transportation .....	108	100	100	100	100	100	100
Audits conducted:							
Fixed utilities:							
Financial .....	26	32	35	35	35	35	35
Energy fuel .....	36	42	52	52	52	52	52
Management .....	10	8	8	8	8	8	8



# Public Utility Commission

## Program: Regulation of Public Utilities (continued)

<b>Program Measures: (continued)</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Enforcement/investigations:</b>							
Fixed utilities .....	884	900	900	900	900	900	900
<b>Transportation:</b>							
Rail safety .....	33,473	34,000	34,000	34,000	34,000	34,000	34,000
Motor safety .....	18,778	20,000	20,000	20,000	20,000	20,000	20,000
<b>Consumer services:</b>							
<b>Fixed utilities:</b>							
Complaints received, investigated and resolved .....	75,058	86,000	86,000	86,000	86,000	86,000	86,000
<b>Electric Competition:</b>							
Homes eligible to participate (thousands) .	4,000	4,600	4,600	4,600	4,600	4,600	4,600
Businesses eligible to participate (thousands) .....	500	700	700	700	700	700	700
<b>Estimated Savings:</b>							
Homes (millions) .....	\$380	\$386	\$392	\$398	\$402	\$407	\$413
Businesses (millions) .....	\$634	\$643	\$653	\$628	\$670	\$678	\$688

Fixed utilities regulated, electric generation, and other increased from last year's budget because of additional companies entering the new competitive markets.

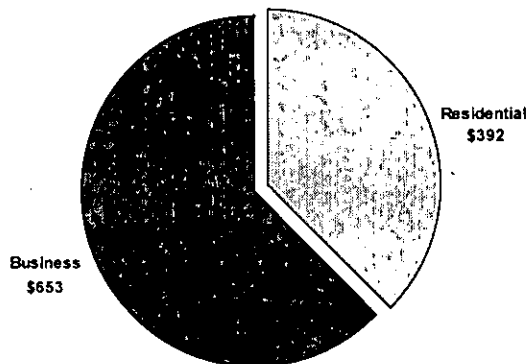
Transportation rate requests received are greater than projected in last year's budget primarily due to fluctuations in the new competitive markets. All received requests were completed.

Audits conducted and rail and motor safety enforcement/Investigations are less than projected in last year's budget for 1988-99 due to a shift in priorities to deregulation issues.

Complaints received, investigated and resolved are higher than projected in last year's budget due to improvements in the complaint resolution process.

Estimated savings by homes and businesses are greater than projected in last year's budget due to accelerated achievement of statewide participation in electric competition.

### 2000-01 Customer Savings as a Result of Electric Competition (Dollar Amounts in Millions)



*In 2000-01, customer savings as a result of electric competition will exceed \$1 billion.*

### Program Recommendations:

This budget recommends the following from restricted accounts:  
(Dollar Amounts in Thousands)

\$	-494	<b>General Government Operations</b>	
	253	— nonrecurring operating expenses.	
		— to continue current program.	
\$	-241	<i>Appropriation Decrease</i>	

\$	369	<b>First Class City Taxicab Regulation</b>
		— to continue current program.





---

# DEPARTMENT OF PUBLIC WELFARE

*The mission of the Department of Public Welfare is to promote, improve and sustain the quality of family life; break the cycle of dependency; promote respect for employees; protect and serve Pennsylvania's most vulnerable citizens; and manage our resources effectively.*

This mission is accomplished by promoting the financial independence of clients through a range of services including employment and training, work support, day care, medical assistance, and transportation. The mission is also accomplished by providing community living arrangements for those in need of assistance with activities of daily living and, when necessary, through institutional care and treatment in settings that are responsive to human needs.

Services are provided through regional and county agencies, county assistance offices and through various types of public and private institutions and community based settings.





**PROGRAM REVISION**

**Budgeted Amounts Include the Following Program Revisions:**

Title	Appropriation	2000-01 State Funds <small>(in thousands)</small>
<b>Promoting Self-Sufficiency and Responsibility</b>		
	New Directions.....	\$ 474
	Cash Grants.....	-556
	Medical Assistance - Outpatient.....	<u>83</u>
	Program Revision Subtotal.....	<u>\$ 1</u>

This Program Revision implements improvements, capacity and operational enhancements for child care centers; expands the availability of transportation services to assist welfare recipients and low-income individuals access employment opportunities; provides corrective lenses and hearing devices for individuals participating in contracted employment and training programs; expands incentives for the principal wage earner in two-parent households receiving cash assistance to obtain and retain employment; develops programs to meet the educational needs of welfare recipients; assists adults with disabilities who receive cash assistance to participate in employment and training opportunities; and, pilots comprehensive neighborhood-based employment and training opportunities in public housing residences. A total of \$28.5 million in State and Federal funds is provided for this Program Revision across three agencies.



**PROGRAM REVISION**

**Budgeted Amounts Include the Following Program Revisions:**

Title	Appropriation	2000-01 State Funds (in thousands)
<b>Expanding Home and Community-Based Opportunities for Persons with Disabilities</b>		

**GENERAL FUND**

General Government Operations.....	\$ 79
County Administration - Statewide.....	57
Mental Health Services.....	5,522
Community Mental Retardation Services.....	15,253
Services to Persons with Disabilities.....	<u>1,358</u>
 Subtotal.....	 \$ 22,269

**TOBACCO SETTLEMENT FUND**

Nursing Home Alternative Services.....	\$ 718
 Program Revision Subtotal.....	 <u>\$ 22,987</u>

This Program Revision is also supported with \$2.6 million in prior year State funds.

This Program Revision expands and enhances the availability of home and community-based services for persons with mental retardation, individuals with disabilities such as traumatic brain injury and autism, and older Pennsylvanians; provides community-based service alternatives for persons currently residing in State mental hospitals; enhances the continuum of mental health services in select counties within the Lehigh/Capital region in preparation for the implementation of Medical Assistance behavioral health managed care; and, pilots a program to identify older Pennsylvanians with mental health needs. A total of \$72.2 million in State, Federal and Other funds is provided for this Program Revision across four agencies.

<b>Department Total.....</b>	<b><u>\$ 22,988</u></b>
------------------------------	-------------------------



## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
<b>GENERAL FUND:</b>			
<b>General Government:</b>			
General Government Operations.....	\$ 47,626 <sup>a</sup>	\$ 50,992 <sup>a</sup>	\$ 52,249
(F)Child Welfare Services - Administration.....	2,055	2,055	2,055
(F)Child Welfare - Title IV-E - Administration.....	2,117	2,269	2,451
(F)Child Welfare Training and Certification.....	9,000	9,432	10,110
(F)CCDFBG - Administration.....	2,858	2,904	3,854
(F)Medical Assistance - Administration.....	17,347 <sup>b</sup>	18,082 <sup>b</sup>	20,248
(F)TANFBG - Administration.....	4,649	4,724	4,724
(F)Food Stamps - Administration.....	3,692	3,985	4,000
(F)Developmental Disabilities - Basic Support.....	4,080	4,090	4,090
(F)Refugees and Persons Seeking Asylum - Administration.....	957	1,124 <sup>c</sup>	1,230
(F)Disabled Education - Administration.....	1,204	1,270	1,262
(F)Child Abuse Prevention Challenge Grant.....	1	0	0
(F)MHSBG - Administration.....	98	98	98
(F)SSBG - Administration.....	3,690	3,691	3,691
(F)Training - Lead-Based Paint Abatement.....	93	154	132
(F)Community Based Family Resource and Support.....	0	179	95
(A)Training Reimbursement.....	443	456	456
(A)Child Abuse Reviews.....	2,622	2,857	3,300
(A)Miscellaneous Reimbursements.....	95	98	100
Subtotal.....	\$ 102,627	\$ 108,460	\$ 114,145
Information Systems.....	26,581 <sup>d</sup>	26,739 <sup>d</sup>	32,502
(F)Medical Assistance - Information Systems.....	14,391	19,367 <sup>e</sup>	22,837
(F)Child Welfare - Title IV-E - Information Systems.....	704	970 <sup>f</sup>	1,775
(F)TANFBG - Information Systems.....	2,456	2,788	3,770
(F)Food Stamps - Information Systems.....	5,106	5,511 <sup>g</sup>	6,639
(F)Child Support Enforcement - Information Systems.....	509	858 <sup>h</sup>	975
Subtotal.....	\$ 49,747	\$ 56,233	\$ 68,498
County Administration - Statewide.....	42,124 <sup>i</sup>	44,903 <sup>i</sup>	45,664
(F)TANFBG - Statewide.....	3,467	5,595	2,802
(F)Medical Assistance - Statewide.....	28,385 <sup>j</sup>	43,790 <sup>j</sup>	46,094
(F)Food Stamps - Statewide.....	4,317 <sup>k</sup>	7,411 <sup>k</sup>	6,427
(F)June 1998 Storm Disaster-Individual & Family Assistance Adm.....	10	0	0
(F)Aug 1999 Storm Disaster-Individual & Family Assistance Adm.....	0	23	0
(F)Sept 1999 Storm Disaster-Individual & Family Assistance Adm.....	0	113	0
(A)Fee for Material from Outside Vendors.....	65	57	57
(A)Benefits Information Exchange.....	5	5	5
(A)Food Stamps - Retained Collections.....	2,477	2,589	2,589
(A)Intergovernmental Transfer.....	557	120	462
(A)Innovation Bank Award.....	139	0	0
Subtotal.....	\$ 81,546	\$ 104,606	\$ 104,100
County Assistance Offices.....	242,659 <sup>l</sup>	254,171 <sup>l</sup>	260,620
(F)TANFBG - County Assistance.....	45,261	45,361	46,241
(F)Medical Assistance - County Assistance.....	57,932 <sup>m</sup>	64,826 <sup>mn</sup>	66,202
(F)Food Stamps - County Assistance.....	62,059 <sup>o</sup>	67,819 <sup>o</sup>	63,135
(F)SSBG - County Assistance.....	6,262	6,262	6,262
(F)LIHEABG - Administration.....	5,272	7,642 <sup>p</sup>	6,059
Subtotal.....	\$ 419,445	\$ 446,081	\$ 448,519
Child Support Enforcement.....	10,817 <sup>q</sup>	18,734 <sup>q</sup>	19,716
(F)Child Support Enforcement - Title IV - D.....	82,107	123,206	137,363
(A)Title IV - D Incentive Collections.....	6,007	2,935	595
(A)Restitutions and Overpayments.....	93	0	0
(A)Food Stamp Collections.....	301	163	166
(A)State Retained Support Collections.....	2,341	2,341	2,341



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
Subtotal.....	\$ 101,666	\$ 147,379	\$ 160,181
<b>New Directions.....</b>	<b>81,382<sub>r</sub></b>	<b>85,046<sub>r</sub></b>	<b>72,644</b>
(F)TANFBG - New Directions.....	33,136	64,100	63,129
(F)Medical Assistance - New Directions.....	3,822 <sub>s</sub>	3,584 <sub>st</sub>	4,100
(F)Food Stamps - New Directions.....	15,210 <sub>u</sub>	28,428 <sub>u</sub>	25,900
(F)Welfare to Work.....	44,296	44,296	39,768
(A)Single Point of Contact Health Insurance Program.....	1	1	1
Subtotal.....	\$ 177,847	\$ 225,455	\$ 205,542
Subtotal - State Funds.....	\$ 451,189	\$ 480,585	\$ 483,395
Subtotal - Federal Funds.....	466,543	596,007	607,518
Subtotal - Augmentations.....	15,146	11,622	10,072
Total - General Government.....	\$ 932,878	\$ 1,088,214	\$ 1,100,985
<b>Institutional:</b>			
<b>Youth Development Institutions and Forestry Camps.....</b>	<b>\$ 77,652<sub>v</sub></b>	<b>\$ 79,521<sub>v</sub></b>	<b>\$ 72,470</b>
(F)SSBG - Basic Institutional Program.....	0	1,056	1,056
(F)Food Nutrition Services.....	839	750	750
(F)DFSC - Special Programs - Juvenile Aftercare Services.....	1,225	1,225	1,225
(F)DCSI - Mental Health Initiatives.....	42	239	0
(F)DCSI - YDC/YFC Review and Assessment.....	0	75	0
(F)DCSI - Medical and Psychiatric Services Assessment.....	0	24	0
(F)DCSI - Training Academy.....	0	0	35
(A)Cafeteria Reimbursements.....	3	4	12
(A)Institutional Reimbursements.....	8	8	29
(A)School Lunch Program.....	8	58	29
(A)DCSI - Projects Match.....	33	0	0
Subtotal.....	\$ 79,810	\$ 82,960	\$ 75,606
<b>Mental Health Services.....</b>	<b>580,437<sub>w</sub></b>	<b>593,104<sub>w</sub></b>	<b>610,787</b>
(F)Medical Assistance - Mental Health.....	203,766 <sub>x</sub>	199,800 <sub>x</sub>	202,007
(F)Medicare Services - State Mental Hospitals.....	17,204	21,322	15,966
(F)Homeless Mentally Ill.....	674	853	853
(F)MHSBG - Community Mental Health Services.....	11,927	11,927	16,244
(F)SSBG - Community Mental Health Services.....	14,808	14,808	14,808
(F)Behavioral Health - MIS.....	100	63 <sub>y</sub>	0
(F)Child and Adolescent Services System.....	150	150	150
(F)June 1998 Storm Disaster.....	84	0	0
(F)Crisis Counseling.....	0	126 <sub>z</sub>	0
(A)Cafeteria Reimbursements.....	77	47	48
(A)Institutional Collections.....	13,622	12,214	12,126
(A)Miscellaneous Institutional Reimbursements.....	19	18	18
(A)Intergovernmental Transfer.....	8,000	14,449	8,000
Subtotal.....	\$ 850,868	\$ 868,881	\$ 881,007
<b>State Centers for the Mentally Retarded.....</b>	<b>127,912<sub>aa</sub></b>	<b>123,136<sub>aa</sub></b>	<b>116,224</b>
(F)Medical Assistance - State Centers.....	144,206	140,384 <sub>bb</sub>	130,753
(F)Medicare Services - State Centers.....	786	712	562
(A)Institutional Collections - State Centers.....	13,141	11,076	9,645
(A)Institutional Reimbursements.....	0	0	40
Subtotal.....	\$ 286,045	\$ 275,308	\$ 257,224
Subtotal - State Funds.....	\$ 786,001	\$ 795,761	\$ 799,481
Subtotal - Federal Funds.....	395,811	393,514	384,409
Subtotal - Augmentations.....	34,911	37,874	29,947
Total - Institutional.....	\$ 1,216,723	\$ 1,227,149	\$ 1,213,837



## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
<b>Grants and Subsidies:</b>			
Cash Grants.....	\$ 259,688	\$ 311,394 <sup>cc</sup>	\$ 294,122
1999 Storm Disaster Assistance.....	0	5,000	0
(F)TANFBG - Cash Grants.....	392,023	299,699 <sup>dd</sup>	286,359
(F)CCDFBG - Cash Grants.....	131,430	174,784	158,205
(F)Other Federal Support - Cash Grants.....	13,880	14,568 <sup>ee</sup>	14,568
(F)LIHEABG - Low-Income Families and Individuals.....	59,869	91,521 <sup>ff</sup>	71,626
(F)June 1998 Storm Disaster - Individual and Family Assistance.....	190	0	0
(F)Aug. 1999 Storm Disaster - Individual and Family Assistance.....	0	450	0
(F)Sept. 1999 Storm Disaster - Individual and Family Assistance.....	0	2,250	0
Subtotal.....	\$ 857,080	\$ 899,666	\$ 824,880
Supplemental Grants - Aged, Blind and Disabled.....	127,045	129,329	131,492
(A)Intergovernmental Transfer.....	26,387	26,985	26,985
Subtotal.....	\$ 153,432	\$ 156,314	\$ 158,477
Medical Assistance - Outpatient.....	695,935	574,770 <sup>gg</sup>	609,913
(F)Medical Assistance - Outpatient.....	793,599	653,738 <sup>hh</sup>	688,062
(A)Intergovernmental Transfer.....	0	242	690
Subtotal.....	\$ 1,489,534	\$ 1,228,750	\$ 1,298,665
Medical Assistance - Inpatient.....	453,594	350,849 <sup>ii</sup>	353,176
(F)Medical Assistance - Inpatient.....	517,073	406,590 <sup>jj</sup>	420,649
Subtotal.....	\$ 970,667	\$ 757,439	\$ 773,825
Medical Assistance - Capitation.....	1,026,075	1,389,519 <sup>kk</sup>	1,515,244
(F)Medical Assistance - Capitation.....	1,267,249	1,521,686 <sup>ll</sup>	1,676,531
Subtotal.....	\$ 2,293,324	\$ 2,911,205	\$ 3,191,775
Long-Term Care.....	721,631	714,802 <sup>mm</sup>	798,314
(F)Medical Assistance - Long-Term Care.....	1,863,696	1,868,675 <sup>nn</sup>	1,871,374
(A)Intergovernmental Transfer.....	800,793	638,162	746,716
Subtotal.....	\$ 3,386,120	\$ 3,221,639	\$ 3,416,404
Medical Assistance - Transportation.....	19,010	21,578 <sup>oo</sup>	24,863
(F)Medical Assistance - Transportation.....	16,937	19,225 <sup>pp</sup>	22,129
Subtotal.....	\$ 35,947	\$ 40,803	\$ 46,992
Expanded Medical Services for Women.....	6,224	8,348	8,516
AIDS Special Pharmaceutical Services.....	10,885	9,365	11,481
(F)AIDS - Ryan White.....	10,053	16,076 <sup>qq</sup>	15,042
Subtotal.....	\$ 20,938	\$ 25,441	\$ 26,523
Special Pharmaceutical Services.....	0	5,403	4,956
Behavioral Health Services.....	46,147	41,147	41,970
(A)Intergovernmental Transfer.....	17,000	17,107	12,107
Subtotal.....	\$ 63,147	\$ 58,254	\$ 54,077
Psychiatric Services in Eastern PA.....	7,150	5,300	3,500
Intermediate Care Facilities - Mentally Retarded.....	111,345	107,931	107,654
(F)Medical Assistance - ICF/MR.....	128,006	125,725	123,195
Subtotal.....	\$ 239,351	\$ 233,656	\$ 230,849
Community Mental Retardation Services.....	497,360	533,921	578,663
(F)Medical Assistance - Community MR Services.....	319,435	374,235	450,829
(F)SSBG - Community MR Services.....	13,984	13,984	13,984
(A)Robert Wood Johnson.....	10	0	0
(A)Intergovernmental Transfer.....	0	259	5,000



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
Subtotal.....	\$ 830,789	\$ 922,399	\$ 1,048,476
<b>Early Intervention.....</b>	<b>44,483</b>	<b>43,560</b>	<b>45,096</b>
(F)SSBG - Early Intervention.....	2,195	2,195	2,195
(F)Medical Assistance - Early Intervention.....	11,520	11,386	13,941
(F)Education for Children with Disabilities.....	12,025	13,426 <sup>rr</sup>	12,242
Subtotal.....	\$ 70,223	\$ 70,567	\$ 73,474
<b>Pennhurst Dispersal.....</b>	<b>2,933</b>	<b>2,992</b>	<b>3,052</b>
<b>MR Residential Services - Lansdowne.....</b>	<b>378</b>	<b>461</b>	<b>394</b>
<b>County Child Welfare.....</b>	<b>403,619</b>	<b>431,245<sup>ss</sup></b>	<b>470,212</b>
<b>Adoptions and Safe Families.....</b>	<b>6,060</b>	<b>0</b>	<b>0</b>
(F)Child Welfare Services.....	17,780	13,115	13,482
(F)Child Welfare - Title IV-E.....	345,000	349,237	391,514
(F)Medical Assistance - Child Welfare.....	2,904	2,904	2,904
(F)TANFBG - Child Welfare.....	131,100	200,000 <sup>tt</sup>	200,000
(F)SSBG - Child Welfare.....	12,021	12,021	12,021
(F)Community Based Family Resource and Support.....	1,200	1,200	306
Subtotal.....	\$ 919,684	\$ 1,009,722	\$ 1,090,439
<b>Community Based Family Centers.....</b>	<b>3,061</b>	<b>3,122</b>	<b>3,184</b>
(F)CCDFBG - Family Centers.....	4,944	0	0
(F)Family Preservation - Family Centers.....	5,500	6,212	6,212
(F)Fatherhood Initiatives.....	0	1,000	1,000
Subtotal.....	\$ 13,505	\$ 10,334	\$ 10,396
<b>Child Care Services.....</b>	<b>57,545</b>	<b>58,513</b>	<b>59,683</b>
(F)CCDFBG - Child Care.....	76,725	93,198	130,709
(F)CCDFBG - School Age.....	1,871	2,329	1,260
(F)SSBG - Child Care.....	30,977	30,977	30,977
(F)Head Start Collaboration Project.....	300	300	300
Subtotal.....	\$ 167,418	\$ 185,317	\$ 222,929
<b>Domestic Violence.....</b>	<b>10,769</b>	<b>11,449</b>	<b>11,678</b>
(F)Family Violence Prevention Services.....	2,538	3,400	3,400
(F)SSBG - Domestic Violence.....	1,205	1,205	1,205
(F)PHHSBG - Domestic Violence.....	150	150	150
(F)TANFBG - Domestic Violence.....	500	500	500
(F)DFSC - Special Programs for Domestic Violence.....	425	425	425
(A)Marriage Law Fees.....	733	733	733
Subtotal.....	\$ 16,320	\$ 17,862	\$ 18,091
<b>Rape Crisis.....</b>	<b>4,583</b>	<b>5,728</b>	<b>5,843</b>
(F)PHHSBG - Rape Crisis.....	2,226	2,353	2,353
(F)SSBG - Rape Crisis.....	634	634	634
(F)TANFBG - Rape Crisis.....	300	300	300
(F)DFSC - Special Programs for Rape Crisis.....	142	142	142
Subtotal.....	\$ 7,885	\$ 9,157	\$ 9,272
<b>Breast Cancer Screening.....</b>	<b>902</b>	<b>1,220</b>	<b>1,245</b>
(F)SSBG - Family Planning.....	3,845	3,845	3,845
Subtotal.....	\$ 4,747	\$ 5,065	\$ 5,090
<b>Human Services Development Fund.....</b>	<b>35,374</b>	<b>35,374</b>	<b>36,081</b>
(F)Refugees and Persons Seeking Asylum - Social Services.....	5,100	6,000	6,123
(A)Intergovernmental Transfer.....	0	707	0
Subtotal.....	\$ 40,474	\$ 42,081	\$ 42,204
<b>Legal Services.....</b>	<b>2,450</b>	<b>2,499</b>	<b>2,549</b>
(F)SSBG - Legal Services.....	5,049	5,049	5,049

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
Subtotal.....	\$ 7,499	\$ 7,548	\$ 7,598
Homeless Assistance.....	27,501	26,807	27,323
(F)SSBG - Homeless Services.....	2,183	2,183	2,183
(F)Homeless Services - SABG.....	1,983	1,983	1,983
Subtotal.....	\$ 31,667	\$ 30,973	\$ 31,489
Services to Persons with Disabilities.....	8,036	8,197	9,983
(F)SSBG - Services to Persons with Disabilities.....	120	120	120
(F)Medical Assistance - Services to Persons with Disabilities.....	5,781	8,425 <sup>uu</sup>	14,316
(A)Intergovernmental Transfer.....	0	1,424	4,820
Subtotal.....	\$ 13,937	\$ 18,166	\$ 29,239
Attendant Care.....	20,525	22,837	23,300
(F)SSBG - Attendant Care.....	6,971	6,971	6,971
(F)Medical Assistance - Attendant Care.....	14,100	15,867	15,867
(A)Attendant Care Parking Fines.....	0	40	103
(A)Intergovernmental Transfer.....	2,650	7,013	6,950
Subtotal.....	\$ 44,246	\$ 52,728	\$ 53,191
Acute Care Hospitals.....	4,750	8,200	8,200
Citizenship Services.....	450	300	0
Arsenal Family and Children's Center.....	160	160	160
Subtotal - State Funds.....	\$ 4,615,668	\$ 4,871,320	\$ 5,191,847
Subtotal - Federal Funds.....	6,236,738	6,382,258	6,697,182
Subtotal - Augmentations.....	847,573	692,672	804,104
Total - Grants and Subsidies.....	\$ 11,699,979	\$ 11,946,250	\$ 12,693,133
STATE FUNDS.....	\$ 5,852,858	\$ 6,147,666	\$ 6,474,723
FEDERAL FUNDS.....	7,099,092	7,371,779	7,689,109
AUGMENTATIONS.....	897,630	742,168	844,123
GENERAL FUND TOTAL.....	\$ 13,849,580	\$ 14,261,613	\$ 15,007,955
<b>TOBACCO SETTLEMENT FUND:</b>			
<i>Grants and Subsidies:</i>			
Medical Care for Persons with Disabilities.....	\$ 0	\$ 0	\$ 24,807
Uncompensated Care.....	0	0	32,641
Nursing Home Alternative Services.....	0	0	34,273
Total - Grants and Subsidies.....	\$ 0	\$ 0	\$ 91,721
TOBACCO SETTLEMENT FUND TOTAL.....	\$ 0	\$ 0	\$ 91,721
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Annie E. Casey.....	\$ 9	\$ 784	\$ 907
<b>CHILDREN'S TRUST FUND:</b>			
Children's Trust Fund.....	\$ 1,424	\$ 1,850	\$ 1,850
<b>ENERGY CONSERVATION AND ASSISTANCE FUND:</b>			
Low Income Energy Assistance.....	\$ 1,699	\$ 1,600	\$ 1,300



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
<b>EMERGENCY MEDICAL SERVICES OPERATING FUND:</b>			
Head Injury Support.....	\$ 0	\$ 449	\$ 449
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 5,852,858	\$ 6,147,666	\$ 6,474,723
SPECIAL FUNDS.....	0	0	91,721
FEDERAL FUNDS.....	7,099,092	7,371,779	7,689,109
AUGMENTATIONS.....	897,630	742,168	844,123
OTHER FUNDS.....	3,132	4,683	4,506
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 13,852,712</b>	<b>\$ 14,266,296</b>	<b>\$ 15,104,182</b>

This budget recommends complement realignments among a number of appropriations to reflect programmatic assignments. The revised complement is shown in Section I, the Complement section within this document. Actual and available year adjustments to dollar amounts have been made as detailed in the footnotes below to show comparable costs.

- <sup>a</sup> 1998-99 Actual includes \$9,809,000 actually appropriated as part of Information Systems (\$485,000), County Administration - Statewide (\$2,417,000), Child Support Enforcement (\$306,000), Mental Health Services (\$4,370,000) and State Centers for the Mentally Retarded (\$2,231,000) appropriations. 1998-99 Actual is net of \$214,000 transfer to Transfer to Vocational Rehabilitation Fund in the Department of Labor and Industry. 1999-00 Available includes \$10,109,000 actually appropriated as part of Information Systems (\$500,000), County Administration - Statewide (\$2,491,000), Child Support Enforcement (\$315,000), Mental Health Services (\$4,504,000) and State Centers for the Mentally Retarded (\$2,299,000) appropriations.
- <sup>b</sup> 1998-99 Actual includes \$243,000 and 1999-00 Available includes \$251,000 actually appropriated as part of Mental Health Services.
- <sup>c</sup> Includes recommended supplemental appropriation of \$52,000.
- <sup>d</sup> 1998-99 Actual actually appropriated as \$27,076,000. Amount is net of transfer to General Government Operations (\$485,000) and to Transfer to Vocational Rehabilitation Fund in the Department of Labor and Industry (\$10,000). 1999-00 Available actually appropriated as \$27,239,000. Amount is net of transfer to General Government Operations (\$500,000).
- <sup>e</sup> Includes recommended supplemental appropriation of \$2,166,000.
- <sup>f</sup> Includes recommended supplemental appropriation of \$115,000.
- <sup>g</sup> Includes recommended supplemental appropriation of \$232,000.
- <sup>h</sup> Includes recommended supplemental appropriation of \$66,000.
- <sup>i</sup> 1998-99 Actual includes \$2,170,000 actually appropriated as part of County Assistance Offices (\$646,000), Child Support Enforcement (\$1,479,000) and New Directions (\$45,000). 1998-99 is net of \$2,417,000 transfer to General Government Operations. 1999-00 Available includes \$2,237,000 actually appropriated as part of County Assistance Offices (\$666,000), Child Support Enforcement (\$1,524,000) and New Directions (\$47,000). 1999-00 is net of \$2,491,000 transfer to General Government Operations.
- <sup>j</sup> 1998-99 Actual includes \$926,000 actually appropriated as part of County Assistance Offices (\$198,000), Child Support Enforcement (\$716,000) and New Directions (\$12,000). 1999-00 Available includes \$1,025,000 actually appropriated as part of County Assistance Offices (\$204,000), Child Support Enforcement (\$808,000) and New Directions (\$13,000).
- <sup>k</sup> 1998-99 Actual includes \$141,000 actually appropriated as part of County Assistance Offices (\$129,000) and New Directions (\$12,000). 1999-00 Available includes \$145,000 actually appropriated as part of County Assistance Offices (\$133,000) and New Directions (\$12,000).
- <sup>l</sup> 1998-99 Actual actually appropriated as \$243,305,000. 1999-00 Available actually appropriated as \$254,837,000. Amounts shown are net of transfer to County Administration - Statewide.
- <sup>m</sup> 1998-99 Actual actually appropriated as \$58,130,000. 1999-00 Available actually appropriated as \$59,006,000. Amounts shown are net of transfer to County Administration - Statewide.
- <sup>n</sup> Includes recommend supplemental appropriation of \$6,024,000.
- <sup>o</sup> 1998-99 Actual actually appropriated as \$62,188,000. 1999-00 Available actually appropriated as \$67,952,000. Amounts shown are net of transfer to County Administration - Statewide.
- <sup>p</sup> Includes recommended supplemental appropriation of \$1,000,000.





## Footnotes to Summary by Fund and Appropriation

- <sup>q</sup> 1998-99 Actual actually appropriated as \$12,602,000. 1999-00 Available actually appropriated as \$20,573,000. Amounts shown are net of transfer to County Administration – Statewide and General Government Operations.
- <sup>r</sup> 1998-99 Actual actually appropriated as \$81,552,000. Amount shown is net of transfer to County Administration Statewide (\$45,000) and Department of Labor and Industry General Government Operations (\$125,000). 1999-00 Available actually appropriated as \$85,218,000. Amount shown is net of transfer to County Administration Statewide (\$47,000) and Department of Labor and Industry General Government Operations (\$125,000).
- <sup>s</sup> 1998-99 Actual actually appropriated as \$3,834,000. 1999-2000 Available actually appropriated as \$2,897,000. Amounts shown are net of transfer to County Administration – Statewide.
- <sup>t</sup> Includes recommended supplemental appropriation of \$700,000.
- <sup>u</sup> 1998-99 Actual actually appropriated as \$15,222,000. 1999-2000 Available actually appropriated as \$28,440,000. Amounts shown are net of transfer to County Administration – Statewide.
- <sup>v</sup> 1998-99 Actual actually appropriated as \$78,737,000. 1999-2000 Available actually appropriated as \$80,666,000. Amounts shown are net of transfer to Mental Health Services.
- <sup>w</sup> 1998-99 Actual actually appropriated as \$583,722,000. Amount shown is net of transfer to General Government Operations (\$4,370,000) and includes \$1,085,000 transferred from Youth Development Institutions and Forestry Camps. 1999-2000 Available actually appropriated as \$596,463,000. Amount shown is net of transfer to General Government Operations (\$4,504,000) and includes \$1,145,000 transferred from Youth Development Institutions and Forestry Camps.
- <sup>x</sup> 1998-99 Actual actually appropriated as \$204,009,000. 1999-2000 Available actually appropriated as \$200,051,000. Amounts shown are net of transfer to General Government Operations.
- <sup>y</sup> Includes recommended supplemental appropriation of \$33,000.
- <sup>z</sup> Includes recommended supplemental appropriation of \$42,000.
- <sup>aa</sup> 1998-99 Actual actually appropriated as \$130,143,000. 1999-2000 Available actually appropriated as \$125,435,000. Amounts shown are net of transfer to General Government Operations.
- <sup>bb</sup> Includes recommended supplemental appropriation of \$287,000.
- <sup>cc</sup> Includes recommended supplemental appropriation of \$100,000,000.
- <sup>dd</sup> Reflects recommended appropriation reduction of \$100,000,000.
- <sup>ee</sup> Includes recommended supplemental appropriation of \$718,000.
- <sup>ff</sup> Includes recommended supplemental appropriation of \$21,245,000.
- <sup>gg</sup> Includes recommended supplemental appropriation of \$41,249,000.
- <sup>hh</sup> Includes recommended supplemental appropriation of \$3,258,000.
- <sup>ii</sup> Includes recommended supplemental appropriation of \$25,348,000.
- <sup>jj</sup> Includes recommended supplemental appropriation of \$6,267,000.
- <sup>kk</sup> Reflects recommended appropriation reduction of \$62,740,000.
- <sup>ll</sup> Reflects recommended appropriation reduction of \$74,414,000.
- <sup>mm</sup> Reflects recommended appropriation reduction of \$46,417,000.
- <sup>nn</sup> Includes recommended supplemental appropriation of \$240,195,000.
- <sup>oo</sup> Includes recommended supplemental appropriation of \$2,560,000.
- <sup>pp</sup> Includes recommended supplemental appropriation of \$2,440,000.
- <sup>qq</sup> Includes recommended supplemental appropriation of \$1,034,000.
- <sup>rr</sup> Includes recommended supplemental appropriation of \$1,184,000.
- <sup>ss</sup> Reflects recommended appropriation reduction of \$60,000,000.
- <sup>tt</sup> Includes recommended supplemental appropriation of \$68,900,000.
- <sup>uu</sup> Includes recommended supplemental appropriation of \$478,000.



## Program Funding Summary

	(Dollar Amounts in Thousands)						
	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>HUMAN SERVICES SUPPORT</b>							
GENERAL FUND.....	\$ 74,207	\$ 77,731	\$ 84,751	\$ 84,490	\$ 85,806	\$ 87,513	\$ 89,253
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	75,007	83,551	94,036	91,209	90,345	90,344	90,344
OTHER FUNDS.....	3,169	4,195	4,763	4,858	4,936	5,016	5,098
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 152,383</b>	<b>\$ 165,477</b>	<b>\$ 183,550</b>	<b>\$ 180,557</b>	<b>\$ 181,087</b>	<b>\$ 182,873</b>	<b>\$ 184,695</b>
<b>MEDICAL ASSISTANCE</b>							
GENERAL FUND.....	\$ 2,938,104	\$ 3,082,834	\$ 3,334,663	\$ 3,639,541	\$ 3,874,665	\$ 4,129,463	\$ 4,402,699
SPECIAL FUNDS.....	0	0	91,721	99,022	119,377	135,573	119,115
FEDERAL FUNDS.....	4,468,607	4,485,990	4,693,787	4,726,176	4,744,859	4,788,083	4,819,967
OTHER FUNDS.....	817,793	655,511	759,513	723,231	723,231	723,231	723,231
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 8,224,504</b>	<b>\$ 8,224,335</b>	<b>\$ 8,879,684</b>	<b>\$ 9,187,970</b>	<b>\$ 9,462,132</b>	<b>\$ 9,776,350</b>	<b>\$ 10,065,012</b>
<b>INCOME MAINTENANCE</b>							
GENERAL FUND.....	\$ 764,165	\$ 848,877	\$ 824,258	\$ 869,431	\$ 877,429	\$ 885,504	\$ 893,832
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	988,928	1,095,728	1,044,240	956,719	945,291	945,296	945,376
OTHER FUNDS.....	40,072	37,245	34,950	32,882	32,894	32,906	32,919
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 1,793,165</b>	<b>\$ 1,981,850</b>	<b>\$ 1,903,448</b>	<b>\$ 1,859,032</b>	<b>\$ 1,855,614</b>	<b>\$ 1,863,706</b>	<b>\$ 1,872,127</b>
<b>MENTAL HEALTH</b>							
GENERAL FUND.....	\$ 633,734	\$ 639,551	\$ 656,257	\$ 666,971	\$ 668,144	\$ 675,199	\$ 682,395
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	248,713	249,049	250,028	250,248	250,248	250,028	249,808
OTHER FUNDS.....	21,718	26,728	20,192	20,436	20,684	20,937	21,195
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 904,165</b>	<b>\$ 915,328</b>	<b>\$ 926,477</b>	<b>\$ 937,655</b>	<b>\$ 939,076</b>	<b>\$ 946,164</b>	<b>\$ 953,398</b>
<b>MENTAL RETARDATION</b>							
GENERAL FUND.....	\$ 784,411	\$ 812,001	\$ 851,083	\$ 881,836	\$ 908,214	\$ 934,400	\$ 963,106
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	632,157	682,047	747,701	811,824	834,102	859,378	884,571
OTHER FUNDS.....	13,151	11,335	14,685	9,625	9,570	9,772	9,978
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 1,429,719</b>	<b>\$ 1,505,383</b>	<b>\$ 1,613,469</b>	<b>\$ 1,703,285</b>	<b>\$ 1,751,886</b>	<b>\$ 1,803,550</b>	<b>\$ 1,857,655</b>
<b>HUMAN SERVICES</b>							
GENERAL FUND.....	\$ 658,237	\$ 686,672	\$ 723,711	\$ 759,815	\$ 795,319	\$ 834,528	\$ 876,406
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	685,680	775,414	859,317	886,815	903,327	934,860	968,610
OTHER FUNDS.....	4,859	11,837	14,526	14,526	14,526	14,526	14,526
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 1,348,776</b>	<b>\$ 1,473,923</b>	<b>\$ 1,597,554</b>	<b>\$ 1,661,156</b>	<b>\$ 1,713,172</b>	<b>\$ 1,783,914</b>	<b>\$ 1,859,542</b>



## Program Funding Summary

	(Dollar Amounts in Thousands)						
	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 5,852,858	\$ 6,147,666	\$ 6,474,723	\$ 6,902,084	\$ 7,209,577	\$ 7,546,607	\$ 7,907,691
SPECIAL FUNDS.....	0	0	91,721	99,022	119,377	135,573	119,115
FEDERAL FUNDS.....	7,099,092	7,371,779	7,689,109	7,722,991	7,768,172	7,867,989	7,958,676
OTHER FUNDS.....	900,762	746,851	848,629	805,558	805,841	806,388	806,947
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 13,852,712</b>	<b>\$ 14,266,296</b>	<b>\$ 15,104,182</b>	<b>\$ 15,529,655</b>	<b>\$ 15,902,967</b>	<b>\$ 16,356,557</b>	<b>\$ 16,792,429</b>



*PROGRAM OBJECTIVE: To provide effective administrative and support systems through which the substantive programs of the department can be operated.*

**Program: Human Services Support**

The Human Services Support program provides the policy direction, management and administrative systems required to implement, maintain and monitor the substantive programs of the department.

A key function is the development and operation of information technology systems that assure accurate and timely payments to clients and compile data into usable management reports.

Additionally, this program ensures the quality of services for Pennsylvania residents by licensing and regulating child care and selected medical facilities, and provides direction for health programs for Pennsylvania residents who are unable to purchase adequate health care services.

A primary concern is to minimize administrative costs in relation to service costs.

**Program Recommendations:**

This budget recommends the following changes: (Dollar Amounts in Thousands)

<b>General Government Operations</b>	
\$ -466	— nonrecurring operating costs.
695	— to expand oversight of child abuse and adoption activities.
318	— to inspect 15 percent of family day care facilities annually.
71	— to expand oversight of community behavioral health services.
137	— to enhance monitoring of social program and attendant care services.
121	— to enhance licensing of various program providers.
302	— Initiative — Strengthening Oversight of Mental Retardation Services. To enhance the oversight of community mental retardation services, including compliance with health, safety and quality requirements.
79	— PRR — Expanding Home and Community-Based Opportunities for Persons with Disabilities. This Program Revision provides administrative support for home and community-based services for persons with disabilities, including traumatic brain injury and autism. See the Program Revision following the Human Services program for additional information.
<b>\$ 1,257</b>	<b>Appropriation Increase</b>

<b>Information Systems</b>	
\$ 651	— to continue current program.
465	— for increased contract services and third-party license fees required for outsourcing.
340	— increase data line bandwidth to accommodate web technology for the County Assistance Offices.
200	— to provide additional server capacity for various projects.
2,523	— Initiative — Information Technology Enhancements. To improve access to a relational database which extracts information from various automated systems for program management purposes.
800	— Initiative — Child Welfare Information System Enhancement. To enhance the child welfare information system which supports planning and budgeting activities and results-based management approaches.
750	— Initiative — Medical Assistance Automated Systems Enhancements. To improve the systems support for the Medical Assistance Program, including the redesign of the management information and claims processing system.
34	— Initiative — Mandatory Managed Care Expansion. To prepare for the expansion of mandatory Medical Assistance managed care in the ten-county Lehigh/Capital region.
<b>\$ 5,763</b>	<b>Appropriation Increase</b>

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 47,626	\$ 50,992	\$ 52,249	\$ 54,717	\$ 55,810	\$ 56,928	\$ 58,066
Information Systems .....	26,581	26,739	32,502	29,773	29,996	30,585	31,187
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 74,207</b>	<b>\$ 77,731</b>	<b>\$ 84,751</b>	<b>\$ 84,490</b>	<b>\$ 85,806</b>	<b>\$ 87,513</b>	<b>\$ 89,253</b>



*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 insures access to comprehensive health care services for low-income individuals and families or those with medical expenses exceeding available income. Qualified individuals may receive a complete package of benefits, including cash assistance, under the Temporary Assistance To Needy Families (TANF) Block Grant, 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. General Assistance-Medically Needy Only benefits restrict participation to families with children who do not otherwise qualify for cash benefits, individuals over the age of 59 and individuals that work at least 100 hours per month. A verifiable medical condition, which precludes work, will also allow participation.

devices. Additional service restrictions, comparable to private insurance, apply to adult general assistance recipients. An exception process is available for unusual circumstances.

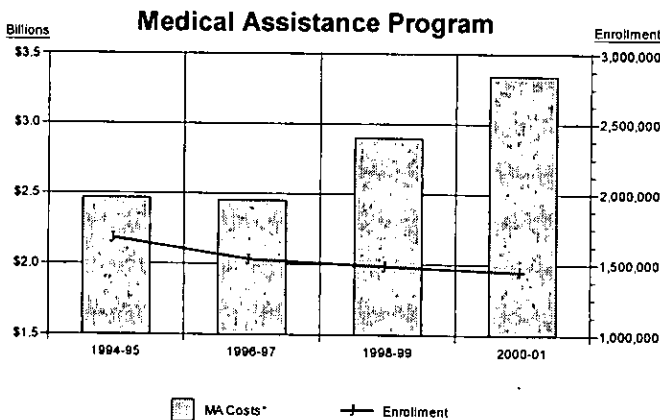
In the outpatient component of the Medical Assistance Program, providers of service are primarily reimbursed on a fee-for-service basis according to the Medical Assistance Fee Schedule.

**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, is not covered by Medical Assistance. Individuals eligible for Medically Needy Only benefits pay an annual deductible of \$150.

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 based on the amount of resources hospitals customarily use for treatment. The department's payment for compensable inpatient hospital services under the DRG payment system is the product of the hospital specific average cost per case multiplied by the relative 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.



\* General and Tobacco Settlement Funds for Outpatient, Inpatient, Capitation and Long-Term Care.

**Program Element: Outpatient Services**

Outpatient services include the majority of preventive services available to a person who does not need extended acute care in a health care facility. Outpatient services include medical or dental care in a clinic or office setting, outpatient surgery, rehabilitation, drug and alcohol treatment, pharmaceutical products, ambulance transportation, home health care, medical supplies and equipment and prosthetic devices.

Persons qualifying for comprehensive benefits are eligible for the complete array of services provided under the Outpatient Program, while medically needy persons are eligible for all services except pharmaceutical products, dental care, medical supplies and equipment and prosthetic



**Program: Medical Assistance (continued)**

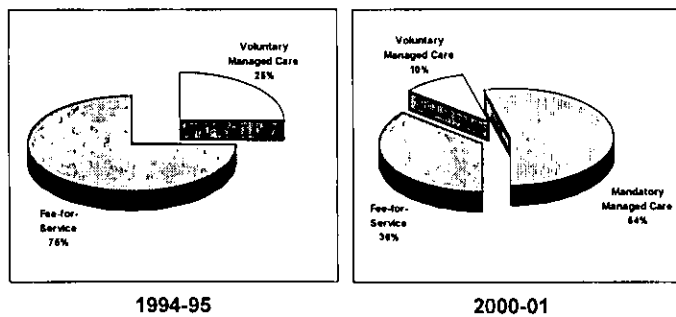
Psychiatric services, both in special wings of acute care hospitals and private psychiatric facilities, are paid through a prospective payment system.

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 reimbursing this type of facility and payment continues to be made on retrospective cost subject to limitations.

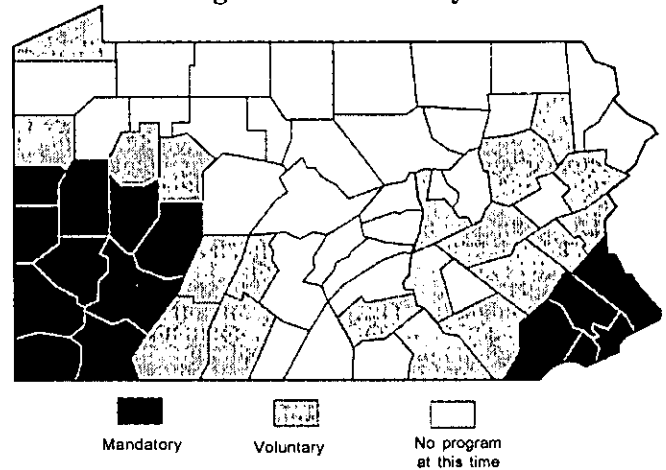
the State. The department currently contracts with six HMOs to provide services to recipients in the voluntary program.

HMOs 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 loses money. If service costs are controlled, the provider can make a profit.

**Medical Assistance Eligibility**



**Managed Care in Pennsylvania**



**Program Element: Capitation**

Alternative health care delivery systems for Medical Assistance recipients are available through Managed Care Organizations (MCOs). Generally referred to as Health Maintenance Organizations (HMOs), these mechanisms provide services utilizing a fixed rate per recipient enrolled. MCOs emphasize outpatient preventive health services as a means of controlling costs. The coordinated approach allows enhanced continuity of care, improves recipients' access to primary physician care and specialized behavioral health programs, provides strengthened oversight of operational standards and facilitates an efficient utilization of limited health care resources.

The department has expanded mandatory Medical Assistance participation in managed care to most eligible clients in five counties in Southeastern Pennsylvania and ten counties in Southwestern Pennsylvania. Physical health care is provided through contracts with seven Health Maintenance Organizations (HMOs) while behavioral health is provided through contracts with the participating counties who may cooperate with an independent MCO. An independent enrollment assistant assists recipients in choosing the HMO and the behavioral health network provider that best meets their needs. The only clients that remain in the fee-for-service program in these areas are new Medically Needy Only clients who require limited inpatient care for an acute condition and certain clients in the Healthy Horizons Program. Participation in managed care will remain voluntary for clients in the remainder of

**Program Element: Long-Term Care**

Long-term care is a continuum of services ranging from independent living at home with the support of community services to institutional care. The Department of Aging's Pre-Admission Assessment Program acts as a "gatekeeper" to manage access to this continuum.

Institutional services are provided to eligible persons by nursing facilities certified, in accordance with established standards, to participate in the Medical Assistance Program. 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.

Nursing facilities are paid for services through a case mix prospective payment system which recognizes net operating and capital costs and is based on the resources required to meet individual care requirements. Residents at each facility are classified based on Resource Utilization Groups, Version III (RUG-III), 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. Nursing facilities are placed into peer groups reflecting facility bed size and Metropolitan Statistical Areas. In each peer group, a median price is developed for the individual cost components. The net operating portion of the per diem rates is broken into resident care, other resident services



## Program: Medical Assistance (continued)

and administrative cost components. The resident care cost component is adjusted to reflect the individual facility's case mix. Capital costs not related to resident care are added to the net operating rate. Facility capital costs reflect the fair market rental rate based on appraisals of each facility.

Older Pennsylvanians who are in need of nursing home care can receive services in the community through the Federal Medicaid Home and Community-Based Waiver Program. There will be 7,754 slots available Statewide by the end of the 2000-01 fiscal year. The program provides assistance with activities of daily living as well as nursing services while incorporating the informal supports available through family and friends.

### 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: 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 limited mental health 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 \$2,480 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, family planning, prenatal care referrals, adoption referrals, sexually-transmitted disease tests and laboratory services, and services providing alternatives to abortion. 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.

Program Measures:	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Persons participating in Medical Assistance (monthly average) .....	1,419,562	1,409,346	1,419,986	1,431,955	1,445,028	1,459,548	1,474,962
<b>Outpatient</b>							
Outpatient services/visits:							
Physicians .....	4,035,866	3,956,654	3,765,196	3,592,195	3,622,696	3,699,492	3,797,886
Dentists .....	843,637	827,079	802,167	796,232	802,605	818,658	839,226
Total clinic .....	3,252,262	3,188,430	3,034,145	2,894,734	2,919,313	2,981,198	3,060,488
Home health .....	42,266	41,436	39,431	37,620	37,939	38,743	39,774
Prescriptions filled .....	15,069,626	14,773,855	14,058,963	13,412,990	13,526,881	13,813,631	14,181,025
<b>Inpatient</b>							
Recipients served:							
General hospitals .....	108,415	106,287	101,144	96,497	97,316	99,379	102,022
Rehabilitation hospitals .....	4,555	4,466	4,250	4,054	4,089	4,175	4,286
Private psychiatric hospitals .....	22,577	22,134	21,063	20,095	20,266	20,695	21,246
Average admissions per recipient:							
General hospitals .....	1.26	1.26	1.26	1.26	1.26	1.26	1.26
Rehabilitation hospitals .....	1.27	1.27	1.27	1.27	1.27	1.27	1.27
Private psychiatric hospitals .....	1.46	1.46	1.46	1.46	1.46	1.46	1.46
Average cost per case/admission:							
General hospitals .....	\$3,360	\$3,454	\$3,551	\$3,650	\$3,752	\$3,857	\$3,965
Rehabilitation hospitals .....	\$6,992	\$7,116	\$7,315	\$7,520	\$7,731	\$7,947	\$8,170
Private psychiatric hospitals .....	\$4,289	\$4,409	\$4,532	\$4,659	\$4,789	\$4,923	\$5,061

Outpatient services decreased from last year's budget due to a change in methodology. Previously, measures were based on units of service at the time the payment was adjudicated. The measures now reflect claims, which may include more than one service, based on the date the service was rendered.

Recipients served in general, rehabilitation and private psychiatric hospitals increased from last year's budget due to unanticipated fee-for-service costs incurred prior to enrollment in mandatory managed care.

Prescriptions filled increased from last year's budget based on physician prescribing patterns and the impact of voluntary managed care enrollment.



**Program: Medical Assistance (continued)**

<b>Program Measures: (continued)</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Capitation</b>							
Medical Assistance recipients served: (monthly average)							
Fee-for-service delivery .....	551,231	540,412	514,262	490,633	494,799	505,288	518,727
Capitation programs .....	868,331	868,934	905,724	941,322	950,229	954,260	956,235
Average voluntary enrollment .....	221,110	128,887	147,157	169,757	178,664	182,695	184,670
Average HealthChoices Southeast enrollment .....	487,749	479,100	483,516	493,807	493,807	493,807	493,807
Average HealthChoices Southwest enrollment .....	159,472	260,947	275,051	277,758	277,758	277,758	277,758
Percent of total eligibles enrolled .....	61.17%	61.66%	63.78%	65.74%	65.76%	65.38%	64.83%
<b>Transportation Program</b>							
One-way trips (in thousands) .....	4,515	4,605	4,605	4,605	4,605	4,605	4,605
<b>Long-Term Care</b>							
Recipients receiving institutional long-term care (monthly average) .....	78,483	79,112	79,507	79,511	79,515	79,519	79,523
Recipients receiving home and community-based services .....	2,982	3,982	6,482	11,235	14,923	17,150	19,378

The Capitation voluntary enrollment decreased from the projection in last year's budget due to fewer recipients enrolling in voluntary managed care programs than anticipated.

The HealthChoices Southwest enrollment decreased from the projection in last year's budget due to there being fewer eligible recipients in the Southwest zone than was estimated.

**Program Recommendations:**

This budget recommends the following changes: (Dollar Amounts in Thousands)

<b>GENERAL FUND</b>				<b>Medical Assistance — Inpatient</b>	
	<b>Medical Assistance — Outpatient</b>	\$		\$	— due to a caseload decrease.
\$	—8,667 — due to a caseload decrease.			-5,032	— nonrecurring costs associated with hospital utilization.
	21,910 — for an average drug cost increase of 11 percent.			12,882	— to replace nonrecurring carryover.
	3,141 — for other price changes.			285	— for an increase in clients eligible for Medicare Part A premiums.
	1,536 — revision of Federal financial participation from 53.81% to 53.67%.			-239	— nonrecurring operating and cash flow adjustments.
	2,013 — to reflect an increase in clients eligible for Medicare Part B premiums.			932	— revision of Federal financial participation from 53.81% to 53.67%.
	-1,380 — nonrecurring operating costs.			-930	— nonrecurring costs for neonatal services.
	15,526 — to replace carryover and other nonrecurring Federal funds.			\$ 2,327	<i>Appropriation Increase</i>
	8,079 — to provide administrative and Federally mandated changes.				
	-1,150 — nonrecurring projects.			\$ 77,226	<b>Medical Assistance — Capitation</b>
	-1,152 — savings associated with the Hospital Insurance Premium Payment program.				— for increased physical health rates and utilization in the HealthChoices Program.
	500 — for outsourcing administration of the manufacturers' rebate program.			22,551	— for increased behavioral health rates and utilization in the HealthChoices Program.
	-6,724 — savings from 1999-00 program initiatives.			29,425	— for increased rates and utilization in the voluntary HMO program.
	1,428 — Initiative — Medical Assistance Fee Enhancements. To increase an array of Medical Assistance dental fees for children and adults.			6,895	— for increased rates and utilization in the HealthChoices HIV/AIDS Risk Pool.
	83 — PRR — Promoting Self-Sufficiency and Responsibility. This Program Revision provides vision exams for individuals participating in contracted employment and training programs. See the Program Revision following the Income Maintenance program for additional information.			14,750	— for special populations in the HealthChoices Program.
				-24,385	— nonrecurring prior year Federal earnings.
				-7,648	— nonrecurring HealthChoices adjustments.
				1,356	— to continue current program.
				4,158	— revision of Federal financial participation from 53.81% to 53.67%.
				1,397	— Initiative — Mandatory Managed Care Expansion. To prepare for the expansion of mandatory Medical Assistance managed care in the ten-county Lehigh/Capital region.
\$	35,143 <i>Appropriation Increase</i>			\$ 125,725	<i>Appropriation Increase</i>





## Program: Medical Assistance (continued)

### Program Recommendations: (continued) This budget recommends the following changes: (Dollar Amounts in Thousands)

<p><b>Long-Term Care</b></p> <p>\$ 5,034 — for increased caseload and utilization.</p> <p>80,016 — for an average daily cost increase of 7.98 percent.</p> <p>15,462 — for a unit cost increase and annualization of home and community-based alternatives.</p> <p>5,642 — for one additional long-term care capitation site and to annualize two sites started in 1999-00.</p> <p>30,782 — to provide specially adaptive and exceptional durable medical equipment.</p> <p>-22,372 — nonrecurring transition payments for utilizing the Federally required data to establish the Case Mix Index.</p> <p>-35,460 — impact of nonrecurring carryover funds offset by the change in Intergovernmental Transfer funds.</p> <p>-1,318 — savings from quality assurance review.</p> <p>622 — to continue current program.</p> <p>5,104 — revision of Federal financial participation from 53.81% to 53.67%.</p> <hr/> <p>\$ 83,512 <i>Appropriation Increase</i></p>	<p><b>Special Pharmaceutical Services</b></p> <p>\$ 358 — for a 5 percent increase in enrollment and an 11 percent increase in drug cost offset by increased manufacturers' rebates and third-party recovery.</p> <p>1,386 — to annualize the formulary expansion for atypical antipsychotic therapy.</p> <p>5 — claims processing automation.</p> <p>-2,196 — impact of nonrecurring carryover.</p> <hr/> <p>\$ -447 <i>Appropriation Decrease</i></p>	<p><b>Medical Assistance—Transportation</b></p> <p>\$ 2,899 — the impact of increased costs and utilization.</p> <p>386 — to provide a two percent cost-of-living adjustment.</p> <hr/> <p>\$ 3,285 <i>Appropriation Increase</i></p>	<p><b>Medical Care for Persons with Disabilities</b></p> <p>\$ 24,807 — to extend Medicaid coverage to certain individuals with disabilities.</p>	<p><b>Uncompensated Care</b></p> <p>\$ 32,641 — to provide hospitals with reimbursement for extraordinary and uncompensated care costs incurred on behalf of uninsured individuals.</p>	<p><b>Expanded Medical Services for Women</b></p> <p>\$ 168 — to provide a two percent cost-of-living adjustment.</p>	<p><b>Nursing Home Alternative Services</b></p> <p>\$ 33,555 — to provide opportunities to older Pennsylvanians for alternatives to nursing home care.</p> <p>718 — PRR — Expanding Home and Community-Based Opportunities for Persons with Disabilities. This Program Revision provides home and community-based services for additional older Pennsylvanians as an alternative to nursing home care. See the Program Revision following the Human Services program for additional information.</p>	<p><b>AIDS Special Pharmaceutical Services</b></p> <p>\$ 8,347 — for a 14 percent increase in enrollment and an 11 percent increase in drug cost offset by increased manufacturers' rebates and third-party recovery.</p> <p>-6,254 — due to the availability of Federal funding.</p> <p>23 — for claims processing automation.</p> <hr/> <p>\$ 2,116 <i>Appropriation Increase</i></p>	<p>\$ 34,273 <i>Appropriation Increase</i></p>	<p><b>TOBACCO SETTLEMENT FUND</b></p>
---	---	---	---	---	---	--	---	--	---------------------------------------

All other appropriations are recommended at the current year funding level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Medical Assistance — Outpatient .....	\$ 695,935	\$ 574,770	\$ 609,913	\$ 584,442	\$ 526,487	\$ 554,405	\$ 583,821
Medical Assistance — Inpatient .....	453,594	350,849	353,176	333,818	297,969	303,396	309,825
Medical Assistance — Capitation .....	1,026,075	1,389,519	1,515,244	1,785,584	2,059,539	2,222,775	2,398,532
Long-Term Care .....	721,631	714,802	798,314	877,681	932,654	990,871	1,052,505
Medical Assistance — Transportation .....	19,010	21,578	24,863	24,863	24,863	24,863	24,863
Expanded Medical Services for Women .....	6,224	8,348	8,516	8,516	8,516	8,516	8,516
AIDS Special Pharmaceutical Services .....	10,885	9,365	11,481	11,481	11,481	11,481	11,481
Special Pharmaceutical Services .....	0	5,403	4,956	4,956	4,956	4,956	4,956
Acute Care Hospitals .....	4,750	8,200	8,200	8,200	8,200	8,200	8,200
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 2,938,104</b>	<b>3,082,834</b>	<b>\$ 3,334,663</b>	<b>\$ 3,639,541</b>	<b>\$ 3,874,665</b>	<b>\$ 4,129,463</b>	<b>\$ 4,402,699</b>



## Program: Medical Assistance (continued)

**Appropriations within this Program: (continued)**

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>TOBACCO SETTLEMENT FUND:</b>							
Medical Care for Persons with Disabilities	\$ 0	\$ 0	\$ 24,807	\$ 26,782	\$ 32,287	\$ 32,606	\$ 28,648
Uncompensated Care .....	0	0	32,641	35,239	42,483	42,903	37,695
Nursing Home Alternative Services .....	0	0	34,273	37,001	44,607	60,064	52,772
<b>TOTAL TOBACCO SETTLEMENT FUND .....</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 91,721</b>	<b>\$ 99,022</b>	<b>\$ 119,377</b>	<b>\$ 135,573</b>	<b>\$ 119,115</b>



*Program Objective: To promote personal and parental responsibility and encourage economic independence and self-sufficiency through temporary cash assistance, job training and child care for families or individuals.*

**Program: Income Maintenance**

The broad purpose of public assistance is to provide temporary support to families in transition from dependency to economic self-sufficiency. Support may include limited education, job training and placement assistance, child care, transportation and other support services and cash.

**Program Element: Income Assistance**

Historically, the focus of public assistance has been the provision of a cash grant. Cash assistance was provided to people who met income and resource guidelines under Federal and State programs and was available without time limits or work activity requirements. Both State and Federal welfare reform have changed the focus of cash support from an individual entitlement to time limited support with specific responsibilities that must be met by clients to receive and maintain cash grants.

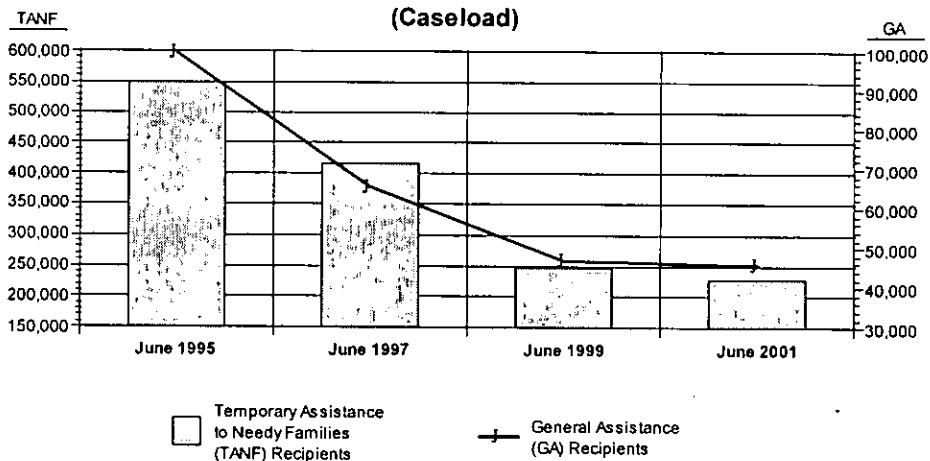
The cornerstone of the new program is an Agreement of Mutual Responsibility (AMR) established between the client and the Commonwealth. Caseworkers in the County Assistance Offices (CAO) meet with applicants for cash assistance, medical assistance and food stamps to review financial and nonfinancial criteria to determine eligibility for benefits. As a condition of eligibility for cash assistance, recipients are required to sign and comply with the obligations in the AMR. The AMR outlines the personal and parental obligations that the individual must fulfill to maintain eligibility for benefits. Most adult welfare recipients are required to immediately look for work upon applying for welfare benefits and, within two years, work or participate in a work-related activity for at least twenty hours per week. Federal welfare reform has placed a five-year lifetime limit on cash assistance benefits for most adult recipients.

Upon application or redetermination for cash, data is entered into the department's client information system and is available for Medical Assistance program determinations as well as cash assistance and food stamps. 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 CAOs to be eligible for the Temporary Assistance for Needy Families (TANF), the State General Assistance (GA) and the State Blind Pension (SBP) programs. The TANF block grant provides Federal funds for temporary cash support for families in transition to self-sufficiency. TANF payments are funded by Federal and 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. State Blind Pension recipients 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 110 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 as well as emergency repairs to heating systems.

**Cash Grants**



**Program: Income Maintenance (continued)**

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 \$500.00 and \$751.00 for couples. Pennsylvania will contribute a supplemental grant of \$27.40 for an individual and \$43.70 for couples 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. For SSI residents in personal care homes, the minimum personal care allowance is \$60.00 a month. The department administers a Disability Advocacy Program (DAP) to assist mentally and physically disabled individuals in establishing their eligibility for Federal SSI benefits.

**Program Element: Employment, Training and Work Supports**

The employment and training program known as the Road to Economic Self-Sufficiency through Employment and Training (RESET) assists welfare recipients to enter the workforce and achieve economic independence. Pennsylvania's employment and training for welfare clients emphasizes work first. Training and education programs are designed to prepare individuals unable to secure employment to get and keep available jobs. Job retention, advancement, rapid reemployment and case management services are also offered to help individuals retain employment. In order to meet the employment needs of Pennsylvania's diverse welfare population, various strategies such as rapid attachment, grant diversion and education activities are being implemented. The department will continue the Single Point of Contact Program (SPOC), subsidized employment and other education and training programs in conjunction with the Departments of Community and Economic Development and Labor and Industry which respond to the needs of the local business community.

**Program Element: Child Care and Supportive Services**

Child care and supportive services are provided to facilitate a welfare client's transition to independence. In addition to the cash grant paid to welfare clients, child care is provided to those participating in training or a work activity or who have obtained employment. Child care can continue after the employed client no longer requires TANF assistance as long as the family needs child care and remains income eligible. In addition to child care, the grant can provide other supportive services, such as transportation.

**Program Element: Child Support Enforcement**

Child Support Enforcement Program services are provided at the local level through Cooperative Agreements between the Department of Public Welfare and the Domestic Relations Section of the County Courts of Common Pleas. The services include the establishment of paternity for children born outside of marriage, the determination, establishment and enforcement of a financial child support obligation paid by a noncustodial parent to meet the ongoing daily needs of the children, the procurement of medical support including health insurance and/or the reimbursement of uninsured medical expenses for the children, and child care support designed to help offset the cost of child care if the custodial parent works or is enrolled in an education/training program to secure employment.

Child support enforcement services are available to children from birth to the age of 18 or until the child graduates from high school or is emancipated. The courts may require child support to be paid for an individual over the age of 18 if extraordinary needs — excluding college tuition — exist. A designated portion of child support paid on behalf of children receiving TANF benefits is passed through to the custodial parent and any residual amount is assigned to the Department of Public Welfare to reimburse cash assistance benefits issued to the child's family.

<b>Child Care Funding</b>	
(\$ in Thousands)	
	<u>2000-01</u>
<b>Low-Income Working Families</b>	
State Funds*	\$ 59,683
Federal Funds	163,246
<b>Total</b>	<u>\$ 222,929</u>
<b>TANF Recipients / Former TANF Recipients</b>	
State Funds**	\$ 17,205
Federal Funds	202,023
<b>Total</b>	<u>\$ 219,228</u>
<b>Grand Total</b>	<u><u>\$ 442,157</u></u>

\* Child Care Services appropriation.  
\*\* Cash Grants appropriation.



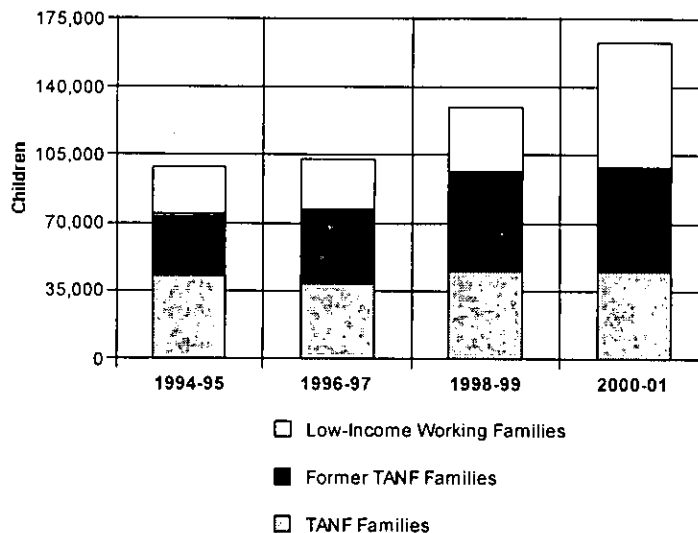
## Program: Income Maintenance (continued)

Program Measures:	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Persons receiving cash assistance, monthly average .....	333,740	283,133	275,750	275,750	275,750	275,750	275,750
Children of welfare recipients and former welfare recipients receiving child care .....	69,398	87,043	98,985	98,985	98,985	98,985	98,985
Persons receiving State Supplemental Grants, monthly average .....	282,707	284,650	286,960	286,960	286,960	286,960	286,960
Households receiving energy cash payments	297,164	305,576	269,763	269,763	269,763	269,763	269,763

Persons receiving cash assistance is less than shown in last year's budget due to persons successfully moving from welfare to work.

Children receiving child care is more than projected in last year's budget due to persons successfully moving from welfare to work and requiring child care.

### Child Care Capacity Growth



Expansion of the child care system will result in nearly 39,000 more children of low-income working families receiving service than in 1994-95, an increase of 158%.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>\$ 102 — to continue current program.</p> <p>1,463 — for the Pennsylvania Automated Recipient Identification System.</p> <p>324 — to expand oversight of Medical Assistance programs.</p> <p>308 — to enroll eligible children through outreach activities.</p> <p>-1,738 — nonrecurring projects.</p> <p>-1,414 — nonrecurring costs of the Electronic Benefit System from reduced eligibility.</p> <p>967 — Initiative — Mandatory Managed Care Expansion. To prepare for the expansion of mandatory Medical Assistance managed care in the ten-county Lehigh/Capital region.</p> <p>42 — Initiative — Medical Assistance Fee Enhancements. To improve policy development and oversight regarding the availability of quality dental services.</p>	<p>650 — Initiative — Medical Assistance Automated Systems Enhancements. To improve the systems support for the Medical Assistance Program, including the automation of the provider enrollment process.</p> <p>57 — PRR — Expanding Home and Community-Based Opportunities for Persons with Disabilities. This Program Revision provides administrative support for home and community-based services for older Pennsylvanians as an alternative to nursing home care. See the Program Revision following the Human Services program for additional information.</p>
	<p>\$ 761 <i>Appropriation Increase</i></p>



**Program: Income Maintenance (continued)**

**Program Recommendations: (continued)** This budget recommends the following changes: (Dollar Amounts in Thousands)

<p><b>County Assistance Offices</b></p> <p>\$ 3,502 — to continue current program.</p> <p>1,950 — to upgrade automated technology in County Assistance Offices.</p> <p>997 — to improve client phone access to Philadelphia County Assistance Offices.</p> <hr/> <p>\$ 6,449 <i>Appropriation Increase</i></p> <p><b>Child Support Enforcement</b></p> <p>\$ 423 — to continue current program.</p> <p>2,210 — for a financial institution data match to find assets of delinquent parents.</p> <p>3,020 — annualization of the State centralized child support collection and disbursement system.</p> <p>-4,671 — nonrecurring implementation of Pennsylvania Child Support Enforcement System (PACSES).</p> <hr/> <p>\$ 982 <i>Appropriation Increase</i></p> <p><b>New Directions</b></p> <p>\$ 369 — to continue current program.</p> <p>3,048 — to redirect training to support current labor demands.</p> <p>-13,418 — nonrecurring match for Federal programs.</p> <p>-2,875 — nonrecurring projects.</p> <p>474 — PRR — Promoting Self-Sufficiency and Responsibility. This Program Revision provides corrective lenses and hearing devices for individuals participating in contracted employment and training programs. See the Program Revision following this program for additional information.</p> <hr/> <p>\$ -12,402 <i>Appropriation Decrease</i></p>	<p><b>Cash Grants</b></p> <p>\$ -8,286 — savings due to caseload and average benefits changes.</p> <p>-6,036 — impact of nonrecurring funds.</p> <p>-2,682 — savings from child support collections.</p> <p>1,200 — decrease in collection of overpayments due to declining caseload.</p> <p>-912 — savings from implementation of fingerprint verification.</p> <p>-556 — PRR — Promoting Self-Sufficiency and Responsibility. This Program Revision generates savings as a result of revisions to the cash grant eligibility for two-parent households which provide additional incentives for the principal wage earner to obtain and retain employment. See the Program Revision following this program for additional information.</p> <hr/> <p>\$ -17,272 <i>Appropriation Decrease</i></p> <p><b>1999 Storm Disaster Assistance</b></p> <p>\$ -5,000 — nonrecurring program.</p> <p><b>Supplemental Grants - Aged, Blind, Disabled</b></p> <p>\$ 1,040 — for increased caseload and average benefits.</p> <p>217 — to annualize the 1999 Federal administrative fee increase.</p> <p>906 — impact of the 2000 Federal administrative fee increase.</p> <hr/> <p>\$ 2,163 <i>Appropriation Increase</i></p> <p><b>Citizenship Services</b></p> <p>\$ -300 — nonrecurring program.</p>
--	---

In addition, the Promoting Self-Sufficiency and Responsibility Program Revision following this program provides approximately \$16.5 million in Federal funds to expand child care, transportation, and employment and training opportunities for welfare recipients and low-income working families.

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
County Administration - Statewide .....	\$ 42,124	\$ 44,903	\$ 45,664	\$ 46,247	\$ 47,231	\$ 48,150	\$ 49,181
County Assistance Offices .....	242,659	254,171	260,620	265,832	271,149	276,572	282,103
Child Support Enforcement .....	10,817	18,734	19,716	19,419	19,807	20,204	20,608
New Directions .....	81,382	85,046	72,644	65,927	67,236	68,572	69,934
Cash Grants .....	259,688	311,394	294,122	340,514	340,514	340,514	340,514
1999 Storm Disaster Assistance .....	0	5,000	0	0	0	0	0
Supplemental Grants - Aged, Blind and Disabled .....	127,045	129,329	131,492	131,492	131,492	131,492	131,492
Citizenship Services .....	450	300	0	0	0	0	0
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 764,165</b>	<b>\$ 848,877</b>	<b>\$ 824,258</b>	<b>\$ 869,431</b>	<b>\$ 877,429</b>	<b>\$ 885,504</b>	<b>\$ 893,832</b>



## Program Revision: Promoting Self-Sufficiency and Responsibility

In May 1996, Pennsylvania became a national leader in welfare reform with the passage of a comprehensive plan that promotes personal and parental responsibility and accountability. Incentives to stay on welfare were removed and self-sufficiency was encouraged by requiring work and work-related activities in order to remain eligible for benefits. To support individuals and families transitioning from welfare to work, over \$2.8 billion has been provided through the Department of Public Welfare since fiscal year 1995-96 for expanded employment and training, child care, transportation, and other support services. Since the implementation of welfare reform, the cash assistance caseload has decreased by approximately 83,000 families. To continue to enable families to become or remain self-sufficient, this Program Revision proposes \$28.5 million in total funds to further expand child care, transportation and employment and training opportunities for welfare recipients and low-income working families.

One of the most important issues faced by families transitioning from welfare to work and low-income working families is the availability of quality child care. Subsidized child care enables welfare recipients and low-income working families to obtain or retain employment. To increase the availability, accessibility and affordability of quality child care services, several significant enhancements to the child care program will be implemented in April 2000. These revisions include: reducing the family copayment for child care services provided to welfare recipients and low-income working families; increasing the income eligibility for the subsidized child care program for low-income working families from 185 percent of the Federal poverty level to 200 percent of the Federal poverty level; and providing services through the subsidized child care program to additional children who may enroll as a result of the increased income eligibility and/or a comprehensive outreach campaign. In addition, effective January 2000 the provider reimbursement rate ceilings for child care services were raised above the originally recommended levels to better reflect current market rates. The recommended budget for the Department of Public Welfare includes funding to continue these enhancements in 2000-01.

To further increase the availability and accessibility of quality child care, this Program Revision recommends \$10 million in Federal funds for quality, capacity and operational enhancements for child care centers. Activities to be funded include: caregiver training; seed money for the expansion of infant/toddler care, non-traditional service hours, and school-age child care; equipment, minor repairs and renovations; and health and safety upgrades. These funds will also be used to enhance the resource and referral capacity of the Child Care Information System. In addition,

\$500,000 in Federal funds is recommended to provide start-up funding for nonprofit child care centers through the Small Business First Fund in the Department of Community and Economic Development.

Transportation is also a significant issue for individuals transitioning from welfare to work. Lack of access to reliable transportation can prevent individuals from accepting or retaining a job. This Program Revision proposes \$1.5 million in Federal funds to expand funding for the start-up costs of non-traditional transportation services to assist welfare recipients and low-income individuals to access employment opportunities. The funding would be used by local Workforce Investment Boards to develop unified approaches to local transportation needs which establish new transportation services or extend existing transportation services to fill the gaps that exist in many areas between where welfare recipients and low-income persons live and where employment opportunities are available.

Currently, the Department of Public Welfare offers a continuum of services to help transition welfare recipients to employment, including job readiness, supervised job search, job training, short-term education, intensive case management and subsidized work activities. This Program Revision proposes approximately \$16.5 million in Federal funds to enhance existing employment and training services and to add new opportunities to the employment and training continuum.

Employment and training participants who have access to the appropriate support services are more likely to learn the skills necessary to obtain and retain employment. This Program Revision recommends approximately \$2.1 million in State and Federal funds to provide special allowances for corrective lenses and hearing devices for individuals participating in contracted employment and training programs. In addition, this Program Revision recommends \$933,000 in State and Federal funds to revise the cash grant eligibility for two-parent households which would provide additional incentives for the principal wage earner to obtain and retain employment.

For many individuals transitioning from welfare to work, additional education is necessary to obtain employment or pursue advancements. To strengthen the educational components of the employment and training continuum, this Program Revision recommends \$2.5 million in Federal funds for the Department of Public Welfare to provide start-up funding for community colleges and other post-secondary career schools to develop programs to meet the educational needs of welfare recipients, including an emphasis on work-study, remedial college preparation, specialized academic advisors, and education linked to employment opportunities. This Program Revision also recommends \$1.5 million in Federal funds for the



## Program Revision: Promoting Self-Sufficiency and Responsibility (continued)

Pennsylvania Higher Education Assistance Agency to expand programs that serve low-income students, including grants and scholarships for post-secondary education.

Federal welfare reform limits the number of welfare recipients exempt from the five-year lifetime limit on cash assistance to 20 percent of the caseload. To assist individuals who seek temporary exemption from the cash assistance work requirement or who have physical or mental disabilities which present barriers to achieving workplace success, this Program Revision recommends \$8 million for 1,650 exempt individuals to voluntarily participate in needs assessments and employment, training and support services. The goal of this effort is to enable participants to obtain employment or enroll in an employment and training program.

To further support individuals with significant barriers to employment, this Program Revision recommends \$1.5 million to provide comprehensive neighborhood-based employment and training opportunities located within four public housing residences with high unemployment rates and a concentration of welfare recipients. Employment-related program activities and services would be provided on-site through the collaboration of housing, welfare, and workforce development agencies, public housing residents and local service providers. The goal of this demonstration program is to transform low-work, high-welfare public housing residences into high-work, low-welfare communities.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Additional licensed regulated child care slots created through capacity building grants Program Revision .....	0	0	3,000	6,000	6,000	6,000	6,000
Nonprofit child care centers established through the Department of Economic Development Small Business First Fund Program Revision .....	0	0	34	68	68	68	68
Employment and training program participants provided corrective lenses Program Revision .....	0	0	9,915	9,915	9,915	9,915	9,915
Employment and training program participants provided hearing devices Program Revision .....	0	0	991	991	991	991	991
Two-parent families benefiting from the revised cash assistance eligibility criteria Program Revision .....	0	0	443	443	443	443	443
Adults with disabilities voluntarily participating in employment and training opportunities Program Revision .....	0	0	1,650	1,650	425	425	425

### **Program Revision Recommendations:** This budget recommends the following changes: (Dollar Amounts in Thousands)

	<b>GENERAL FUND</b>			<b>Cash Grants</b>
	<b>PUBLIC WELFARE</b>		\$ -556	— savings as a result of revisions to the cash grant eligibility for two-parent households which provide additional incentives for the principal wage earner to obtain and retain employment.
\$ 474	<b>New Directions</b>			
	— to provide corrective lenses and hearing devices for individuals participating in contracted employment and training programs.			
\$ 83	<b>Medical Assistance – Outpatient</b>			
	— to provide vision exams for individuals participating in contracted employment and training programs.			





## Program Revision: Promoting Self-Sufficiency and Responsibility (continued)

### Program Revision Recommendations: (continued)

This Program Revision is also supported with Federal funds. The proposed uses of these funds follows: (Dollar Amounts in Thousands)

<p><b>PUBLIC WELFARE</b> <b>CCDFBG – Child Care</b></p> <p>\$ 10,000 — to provide quality, capacity and operational enhancements for child care centers.</p>	<p>\$ 85</p>	<p><b>Medical Assistance - Outpatient</b> — to provide vision exams for individuals participating in contracted employment and training programs.</p>
<p><b>TANFBG – New Directions</b></p> <p>\$ 1,500 — to expand the availability of start-up funding for non-traditional transportation services to assist welfare recipient and low-income individuals access employment opportunities.</p>	<p>\$ 1,489</p>	<p><b>TANFBG – Cash Grants</b> — to revise the cash grant eligibility for two-parent households, providing additional incentives for the principal wage earner to obtain and retain employment.</p>
<p>1,477 — to provide corrective lenses and hearing devices for individuals participating in contracted employment and training programs.</p>	<p>\$ 500</p>	<p><b>COMMUNITY AND ECONOMIC DEVELOPMENT</b> <b>CCDFBG – Child Care Start-Up</b> — to provide start-up funding for nonprofit child care centers through the Small Business First Fund.</p>
<p>2,500 — to provide start-up funding for colleges and post-secondary career schools for the development of programs to meet the educational needs of welfare recipients.</p>		<p><b>HIGHER EDUCATION ASSISTANCE AGENCY</b> <b>TANFBG – Education Opportunities</b> — to expand programs that serve low-income students, including grants and scholarships for post-secondary education.</p>
<p>8,000 — to provide needs assessments and employment, training and support services for adults with disabilities who are exempt from the cash assistance work requirements.</p>	<p>\$ 1,500</p>	
<p>1,500 — to provide comprehensive neighborhood-based employment and training opportunities in four public housing residences.</p>		
<p><b>Appropriation Total</b></p> <p>\$ 14,977</p>		
<p><b>Food Stamps – New Directions</b></p> <p>\$ 32 — to provide corrective lenses and hearing devices for individuals participating in contracted employment and training programs.</p>		

### Recommended Program Revision Costs by Appropriation:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
<b>Public Welfare</b>							
New Directions .....	\$ 0	\$ 0	\$ 474	\$ 474	\$ 474	\$ 474	\$ 474
Cash Grants .....	0	0	-556	-556	-556	-556	-556
Medical Assistance - Outpatient .....	0	0	83	83	83	83	83
<b>GENERAL FUND TOTAL .....</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 1</b>



*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 community 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. There are nine mental hospitals, one restoration (long-term care) center and one juvenile forensic unit in 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 unified intake, community consultation and education, support for families caring for members with mental disorders and community residential programs. A key for all community care is case management, which can vary in intensity, to assist both families and residents in care facilities to access and manage needed services. Non-residential services include family-based services, outpatient care, partial hospitalization, emergency and crisis intervention and after care. Community residential services consist of housing support, residential treatment, inpatient care, crisis services and community residential rehabilitation (CRR) care. Services are generally administered by a single county, county joinders or through contracts with private, nonprofit organizations or agencies. Services, with some exceptions, are funded with State funds

and county matching funds. 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**

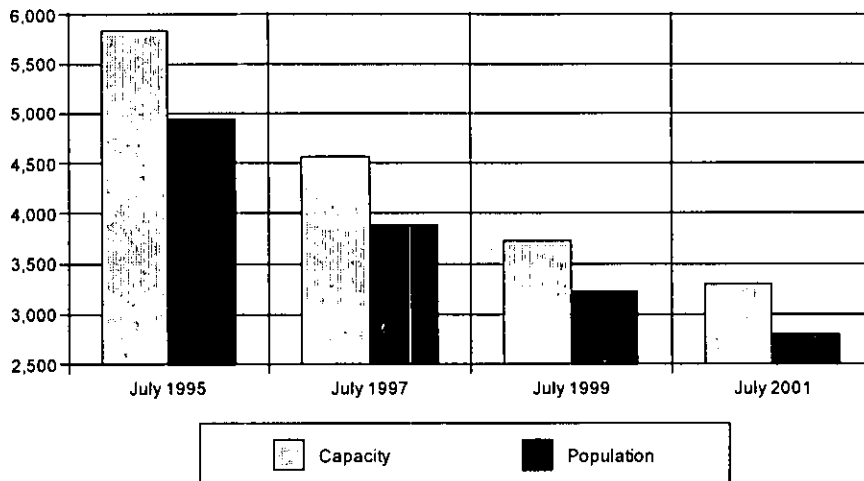
State mental hospitals provide long-term inpatient care for individuals who require intensive inpatient treatment or individuals who have no available alternatives. Additionally, they provide specialized inpatient care for adolescents, criminal offenders and elderly (long-term) populations. Efforts continue to transfer patients to community mental health programs, providing a less restrictive level of care through the Community/Hospital Integration Projects Program (CHIPPs)

**Program Element: Behavioral Health Services**

The Behavioral Health Program provides, through grants to county governments, community mental health and drug and alcohol treatment services to low-income persons who are not eligible for Medical Assistance. Mental health services are targeted to persons who have serious mental illness with a history of involuntary psychiatric commitment or are receiving psychiatric services to avert institutionalization. Drug and alcohol services are targeted to persons receiving non-hospital drug and alcohol services or requiring three or more hospital detoxification admissions per year.

**Mental Hospitals**

Population Compared to Capacity



Since July of 1995, the population served at State mental hospitals has declined from 4,934 to 2,799, a total decrease of 2,135 or 43%.



## Program: Mental Health (continued)

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Persons provided mental health services (unduplicated).....	204,076	206,117	208,200	210,250	212,350	214,500	216,650
State mental hospital population at end of fiscal year .....	3,217	3,070	2,800	2,750	2,700	2,600	2,550
Reduction of State Mental Hospital capacity through Community Hospital Integration Projects Program .....	1,523	1,646	1,900	1,900	1,900	1,900	1,900
Percentage of adults readmitted to State mental hospitals within one year of last discharge .....	15%	14%	13%	12%	12%	12%	12%
Persons served in community residential mental health facilities .....	7,344	7,417	7,700	7,750	7,850	7,900	8,000
Persons receiving intensive case management .....	16,269	16,450	16,600	16,750	16,950	17,100	17,300
Persons receiving family based mental health services .....	4,593	4,639	4,700	4,750	4,800	4,800	4,850

Persons served by the Community/Hospital Integration Projects Program measure has been restated this year to reflect the cumulative number of hospital beds closed through the Community/Hospital Integration Projects Program since 1991-92. The persons served in Community/Hospital Integration Projects program are included in the persons served in community residential mental health facilities program measure.

Percentage of adults readmitted to State Mental Hospitals increased from last year's budget because, as patient census continues to decrease, the remaining population tends to be more seriously mentally ill, and more likely to decompensate in the community and require periodic re-hospitalization.

Persons served in community residential mental health facilities increased from last year's budget projection because individuals served in Community/Hospital Integration Projects Program (CHIPPS) are now included.

The increase in persons receiving intensive case management over last year's budget projection is due to less reliance on State hospital inpatient treatment and accelerated community placements through the CHIPPS program expansion.

### Hospital and Restoration Center Populations for the Prior, Current and Upcoming Year:

State Mental Hospitals	Population July 1998	Population July 1999	Projected Population July 2000	Projected Capacity July 2000	Projected Percent of Capacity July 2000
Allentown.....	282	236	230	275	83.6%
Clarks Summit.....	237	245	245	300	81.7%
Danville.....	220	224	220	242	90.9%
Eastern State School and Hospital.....	9	11	10	15	66.7%
Harrisburg.....	343	321	330	392	84.2%
Mayview.....	451	476	450	509	88.4%
Norristown.....	698	633	520	660	78.8%
South Mountain.....	273	250	250	300	83.3%
Torrance.....	315	315	305	352	86.6%
Warren.....	264	263	260	300	86.7%
Wernersville.....	285	243	250	320	78.1%
<b>TOTAL.....</b>	<b>3,377</b>	<b>3,217</b>	<b>3,070</b>	<b>3,665</b>	<b>83.8%</b>



## Program: Mental Health (continued)

## Total Proposed Expenditures by Hospital, Restoration Center and Community Programs:

	1998-99 Actual	1999-00 Available	2000-01 Budget		1998-99 Actual	1999-00 Available	2000-01 Budget
<b>Allentown</b>				<b>South Mountain State Restoration Center</b>			
State Funds.....	\$ 36,156	\$ 27,362	\$ 26,706	State Funds.....	\$ 11,464	\$ 11,003	\$ 11,538
Federal Funds.....	3,489	2,957	2,884	Federal Funds.....	8,998	9,568	9,501
Augmentations.....	1,766	1,851	1,791	Augmentations.....	2,118	2,158	2,136
TOTAL.....	<u>\$ 41,411</u>	<u>\$ 32,170</u>	<u>\$ 31,381</u>	TOTAL.....	<u>\$ 22,580</u>	<u>\$ 22,729</u>	<u>\$ 23,175</u>
<b>Clarks Summit</b>				<b>Torrance</b>			
State Funds.....	\$ 30,022	\$ 28,322	\$ 28,146	State Funds.....	\$ 40,718	\$ 28,463	\$ 29,533
Federal Funds.....	3,381	4,294	4,185	Federal Funds.....	4,614	5,377	5,021
Augmentations.....	1,829	1,851	1,876	Augmentations.....	2,381	2,202	2,301
TOTAL.....	<u>\$ 35,232</u>	<u>\$ 34,467</u>	<u>\$ 34,207</u>	TOTAL.....	<u>\$ 47,713</u>	<u>\$ 36,042</u>	<u>\$ 36,855</u>
<b>Danville</b>				<b>Warren</b>			
State Funds.....	\$ 25,975	\$ 23,918	\$ 23,632	State Funds.....	\$ 34,857	\$ 25,712	\$ 26,929
Federal Funds.....	3,359	4,034	4,066	Federal Funds.....	4,308	4,530	4,097
Augmentations.....	1,809	1,652	1,837	Augmentations.....	2,235	2,080	2,100
TOTAL.....	<u>\$ 31,143</u>	<u>\$ 29,604</u>	<u>\$ 29,535</u>	TOTAL.....	<u>\$ 41,400</u>	<u>\$ 32,322</u>	<u>\$ 33,126</u>
<b>Eastern State School and Hospital</b>				<b>Wernersville</b>			
State Funds.....	\$ 2,360	\$ 3,138	\$ 3,079	State Funds.....	\$ 31,405	\$ 28,468	\$ 28,255
Federal Funds.....	1,969	1,882	1,814	Federal Funds.....	3,212	3,522	3,380
Augmentations.....	19	0	19	Augmentations.....	1,944	1,901	1,930
TOTAL.....	<u>\$ 4,348</u>	<u>\$ 4,820</u>	<u>\$ 4,912</u>	TOTAL.....	<u>\$ 36,561</u>	<u>\$ 33,891</u>	<u>\$ 33,565</u>
<b>Harrisburg</b>				<b>Administrative Cost</b>			
State Funds.....	\$ 39,357	\$ 32,945	\$ 34,251	State Funds.....	\$ 1,017	\$ 1,903	\$ 3,074
Federal Funds.....	3,337	4,384	4,067	Federal Funds.....	0	0	0
Augmentations.....	2,464	2,078	2,078	Augmentations.....	0	0	0
TOTAL.....	<u>\$ 45,158</u>	<u>\$ 39,407</u>	<u>\$ 40,396</u>	TOTAL.....	<u>\$ 1,017</u>	<u>\$ 1,903</u>	<u>\$ 3,074</u>
<b>Mayview</b>				<b>Community Programs</b>			
State Funds.....	\$ 83,247	\$ 49,060	\$ 50,297	State Funds.....	\$ 141,335	\$ 255,001	\$ 271,705
Federal Funds.....	6,089	7,804	7,178	Federal Funds.....	197,443	192,853	196,892
Augmentations.....	2,395	2,151	2,052	Augmentations.....	0	6,449	0
TOTAL.....	<u>\$ 91,731</u>	<u>\$ 59,015</u>	<u>\$ 59,527</u>	TOTAL.....	<u>\$ 338,778</u>	<u>\$ 454,303</u>	<u>\$ 468,597</u>
<b>Norristown</b>							
State Funds.....	\$ 102,524	\$ 77,809	\$ 73,642				
Federal Funds.....	8,514	8,044	6,943				
Augmentations.....	2,758	2,355	2,072				
TOTAL.....	<u>\$ 113,796</u>	<u>\$ 88,208</u>	<u>\$ 82,657</u>				



## Program: Mental Health (continued)

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Mental Health Services		Behavioral Health Services	
\$ 5,139	— to provide a two percent cost-of-living adjustment for the community mental health program.	\$ 823	— to provide a two percent cost-of-living adjustment.
6,901	— to annualize the Community Hospital Integration Projects Program.		
159	— revision of Federal financial participation rate from 53.81% to 53.67%.	\$ -1,800	<b>Psychiatric Services in Eastern PA</b> — nonrecurring project.
-4,400	— savings due to community placements.		
4,362	— to continue current program.		
5,522	— PRR — Expanding Home and Community-Based Opportunities for Persons with Disabilities. This Program Revision provides community-based service alternatives for persons currently residing in State mental hospitals. See the Program Revision following the Human Services program for additional information.		
<u>\$ 17,683</u>	<i>Appropriation Increase</i>		

In addition, the Expanding Home and Community-Based Opportunities for Persons with Disabilities Program Revision following the Human Services program provides \$2.6 million in prior year State funds to enhance the continuum of mental health services in select counties within the Lehigh/Capital region in preparation for the implementation of Medical Assistance behavioral health managed care, and \$220,000 in Federal funds to pilot a program to identify older Pennsylvanians with mental health needs.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Mental Health Services .....	\$ 580,437	\$ 593,104	\$ 610,787	\$ 621,501	\$ 622,674	\$ 629,729	\$ 636,925
Behavioral Health Services .....	46,147	41,147	41,970	41,970	41,970	41,970	41,970
Psychiatric Services in Eastern PA.....	7,150	5,300	3,500	3,500	3,500	3,500	3,500
<b>TOTAL GENERAL FUND .....</b>	<u>\$ 633,734</u>	<u>\$ 639,551</u>	<u>\$ 656,257</u>	<u>\$ 666,971</u>	<u>\$ 668,144</u>	<u>\$ 675,199</u>	<u>\$ 682,395</u>



**PROGRAM OBJECTIVE:** To maximize each individual's capacity for more independent living and participation in community life by providing needed training and support services.

## Program: Mental Retardation

The Department of Public Welfare supports a comprehensive array of services for people with mental retardation including community residential and non-residential programs which are either administered or operated by the counties and institutional programs operated by the State and private providers. 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.

The mental retardation program is evolving from a predominately facility-based system, comprised of large congregate residential facilities, to a flexible and dynamic system of community supports and services tailored to the needs of persons living in the community. The trend is toward using formalized services to enhance the natural supports that exist in the family and the community.

### Program Element: Institutional Services

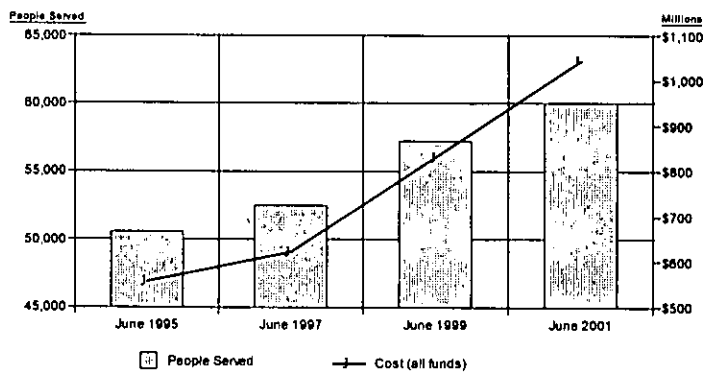
The Department of Public Welfare operates or provides funding for privately operated institutional care for people with mental retardation. The Commonwealth provides services through seven State centers and one mental retardation unit. The primary goal is to develop each resident's ability to function more independently thus preparing them to live in less restrictive environments. All facilities are currently certified for Medical Assistance under standards established by the Federal Health Care Financing Administration. Private ICF/MR facilities also provide intensive habilitative services to persons with mental retardation. Large facilities are single or multiple buildings on campus-like sites accommodating more than eight persons while small facilities may be located in the community and serve eight persons or less.

### Program Element: Community Mental Retardation Services

The Mental Health and Mental Retardation Act of 1966 provides the statutory basis for the development of community-based services for people with mental retardation. Community residential facilities include group homes, single apartments with a roommate, or a family

living setting with family or friends. Day services such as supported employment, training and recreation are provided to residential and non-residential clients living in the community. A wide array of services is also available to support families caring for a child or sibling with mental retardation. Services include case management, mobility training, employment training and opportunities and adult day care. Some services are eligible for Federal funds under the Medicaid Home and Community-Based Waiver Program.

**Community Mental Retardation Services**



Expansion of the community care program has reduced the waiting list and increased the number of people served by 9,444. Over the same period the population in State centers will have decreased by 44%.

### Program Element: Early Intervention

The Department of Public Welfare administers the Early Intervention Program for children from birth through age two. 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: Mental Retardation (continued)

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Persons receiving MR services during fiscal year .....	73,900	75,300	77,600	78,500	79,450	80,300	81,150
Persons receiving community non-residential services:							
Early Intervention .....	14,405	15,048	16,100	16,100	16,100	16,100	16,100
Adult day services .....	22,387	23,058	24,500	25,400	26,400	27,250	28,100
Family support services .....	19,000	19,000	19,000	19,000	19,000	19,000	19,000
Persons receiving residential services (at end of fiscal year):							
Residents of community residential facilities (CRF) .....	13,127	13,853	15,200	16,100	17,050	17,950	18,800
Residents in private ICF/MRs .....	3,109	3,000	2,850	2,850	2,850	2,850	2,850
Residents in State centers and mental retardation units .....	2,241	1,823	1,450	1,400	1,375	1,350	1,300
Residents transferred to more independent settings during fiscal year from:							
Community residential facilities .....	250	250	250	250	250	250	250
State centers and MR units .....	262	253	350	10	10	10	10

The number of children receiving Early Intervention services is different from last year's budget because the new numbers reflect only children actually receiving services. In prior years the number reflected children receiving services and children being tracked and screened.

The transfer of residents to independent settings from State centers and MR units has varied from last year's numbers due to delays in placements.

### State Centers Population for the Prior, Current and Upcoming Year:

	Population July 1998	Population July 1999	Projected Population July 2000	Projected Bed Capacity July 2000	Projected Percent Capacity July 2000
<b>State Centers</b>					
Altoona.....	145	132	123	148	83.1%
Ebensburg.....	379	362	295	434	68.0%
Hamburg.....	278	248	190	310	61.3%
Laurelton.....	1	0	0	0	N/A
Polk.....	605	534	480	740	64.9%
Selinsgrove.....	636	561	455	716	63.5%
Western.....	119	75	0	0	N/A
White Haven.....	315	283	245	374	65.5%
<b>TOTAL STATE CENTERS.....</b>	<b>2,478</b>	<b>2,195</b>	<b>1,788</b>	<b>2,722</b>	<b>65.7%</b>
Mayview Unit for Mentally Retarded.....	55	46	35	72	48.6%
<b>GRAND TOTAL.....</b>	<b>2,533</b>	<b>2,241</b>	<b>1,823</b>	<b>2,794</b>	<b>65.2%</b>



## Program: Mental Retardation (continued)

## Proposed Expenditures by Center:

	1998-99	1999-00	2000-01		1998-99	1999-00	2000-01
	Actual	Available	Budget		Actual	Available	Budget
<b>ALTOONA</b>				<b>SELINSGROVE</b>			
State funds.....	\$ 4,651	\$ 5,008	\$ 5,070	State funds.....	\$ 29,792	\$ 30,061	\$ 29,125
Federal funds.....	5,649	5,921	6,029	Federal funds.....	34,931	35,371	34,394
Augmentations.....	718	602	549	Augmentations...	3,310	2,963	2,588
<b>TOTAL.....</b>	<b>\$ 11,018</b>	<b>\$ 11,531</b>	<b>\$ 11,648</b>	<b>TOTAL.....</b>	<b>\$ 68,033</b>	<b>\$ 68,395</b>	<b>\$ 66,107</b>
<b>EBENSBURG</b>				<b>WESTERN</b>			
State funds.....	\$ 19,271	\$ 19,649	\$ 19,061	State funds.....	\$ 8,847	\$ 4,938	\$ 2,017
Federal funds.....	22,510	22,998	22,459	Federal funds.....	10,218	5,784	0
Augmentations.....	1,920	1,678	1,487	Augmentations...	549	227	0
<b>TOTAL.....</b>	<b>\$ 43,701</b>	<b>\$ 44,325</b>	<b>\$ 43,007</b>	<b>TOTAL.....</b>	<b>\$ 19,614</b>	<b>\$ 10,949</b>	<b>\$ 2,017</b>
<b>HAMBURG</b>				<b>WHITE HAVEN</b>			
State funds.....	\$ 13,435	\$ 13,474	\$ 12,992	State funds.....	\$ 15,492	\$ 15,495	\$ 14,466
Federal funds.....	15,707	15,830	15,363	Federal funds.....	18,200	18,196	17,099
Augmentations.....	1,334	1,142	942	Augmentations...	1,649	1,500	1,440
<b>TOTAL.....</b>	<b>\$ 30,476</b>	<b>\$ 30,446</b>	<b>\$ 29,297</b>	<b>TOTAL.....</b>	<b>\$ 35,341</b>	<b>\$ 35,191</b>	<b>\$ 33,005</b>
<b>POLK</b>				<b>MAYVIEW</b>			
State funds.....	\$ 30,694	\$ 29,680	\$ 28,651	State funds.....	\$ 1,686	\$ 1,910	\$ 1,847
Federal funds.....	35,781	34,750	33,794	Federal funds.....	1,996	2,246	2,177
Augmentations.....	3,267	2,743	2,538	Augmentations...	394	221	141
<b>TOTAL.....</b>	<b>\$ 69,742</b>	<b>\$ 67,173</b>	<b>\$ 64,983</b>	<b>TOTAL.....</b>	<b>\$ 4,076</b>	<b>\$ 4,377</b>	<b>\$ 4,165</b>
Funds for Embreeville, Laurelton and Torrance are for security and maintenance only pending final disposition of these facilities.							
	1998-99	1999-00	2000-01				
	Actual	Available	Budget				
<i>State Funds</i>							
Embreeville.....	\$ 1,581	\$ 1,574	\$ 1,586				
Laurelton.....	2,226	1,347	1,409				
Torrance.....	237	0	0				
<b>TOTAL.....</b>	<b>\$ 4,044</b>	<b>\$ 2,921</b>	<b>\$ 2,995</b>				





## Program: Mental Retardation (continued)

### Program Recommendations: This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 353	<b>State Centers for the Mentally Retarded</b>								
	— revision of Federal financial participation rate from 53.81% to 53.67%.	2,619							activity.
115	— to annualize the Statewide Quality Improvement Project to standardize client services.								— Initiative — Strengthening Oversight of Mental Retardation Services. To provide additional health care coordination units and independent monitoring teams to ensure the health and safety of individuals with mental retardation and to improve the quality of services in the community system.
-8,763	— to reflect downsizing and consolidation of State centers due to limited admission and patient attrition in 2000-01.	2,755							— Initiative — Mental Retardation Integrated Data System. To establish an integrated client-based information technology system for the Mental Retardation Program.
1,383	— to continue current program.								
\$ -6,912	<i>Appropriation Decrease</i>								
	<b>Intermediate Care Facilities — Mentally Retarded</b>								
\$ 1,491	— to annualize transfer of 52 clients from Western Center.	15,253							— PRR — Expanding Home and Community-Based Opportunities for Persons with Disabilities. This Program Revision provides home and community-based services for additional persons with mental retardation. See the Program Revision following the Human Services program for additional information.
2,118	— to provide a two percent cost-of-living adjustment.								
342	— revision of Federal financial participation rate from 53.81% to 53.67%.								
-5,179	— savings from the transfer of provider capacity to the Community MR program.	\$ 44,742							<i>Appropriation Increase</i>
1,293	— to provide for higher per diem rates resulting from downsizing facilities.	\$ 816							<b>Early Intervention</b>
-342	— nonrecurring cost settlements with providers.	33							— to provide a two percent cost-of-living adjustment.
\$ -277	<i>Appropriation Decrease</i>	687							— revision of Federal participation rate from 53.81% to 53.67%.
	<b>Community Mental Retardation Services</b>								— to continue current program.
\$ 20,838	— to annualize the 1999-00 PRR to provide residential placements for individuals from State Centers and for individuals on waiting lists and enhanced day and support services for individuals living in the community.	\$ 1,536							<i>Appropriation Increase</i>
5,454	— to convert 141 ICF/MR beds to the community waiver program.	\$ 60							<b>Pennhurst Dispersal</b>
-638	— nonrecurring project.	\$ 8							— to provide a two percent cost-of-living adjustment.
11,007	— to provide a two percent cost-of-living adjustment.	-75							<b>MR Residential Services - Lansdowne</b>
1,001	— revision of Federal financial participation rate from 53.81% to 53.67%.	\$ -67							— to provide a two percent cost-of-living adjustment.
-13,547	— savings from annualizing the Individual/Family Driven Waiver which provides Federal funds for services that had been a State								— nonrecurring project.
									<i>Appropriation Decrease</i>

In addition, the Expanding Home and Community-Based Opportunities for Persons with Disabilities Program Revision following the Human Services Program provides \$35.4 million in Federal funds to provide home and community-based services for additional persons with mental retardation.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
State Centers for the Mentally Retarded ....	\$ 127,912	\$ 123,136	\$ 116,224	\$ 115,615	\$ 114,937	\$ 117,235	\$ 119,580
Intermediate Care Facilities —							
Mentally Retarded .....	111,345	107,931	107,654	107,654	107,654	107,654	107,654
Community Mental Retardation Services ...	497,360	533,921	578,663	610,025	637,081	660,969	687,330
Early Intervention .....	44,483	43,560	45,096	45,096	45,096	45,096	45,096
Pennhurst Dispersal .....	2,933	2,992	3,052	3,052	3,052	3,052	3,052
MR Residential Services — Lansdowne ....	378	461	394	394	394	394	394
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 784,411</b>	<b>\$ 812,001</b>	<b>\$ 851,083</b>	<b>\$ 881,836</b>	<b>\$ 908,214</b>	<b>\$ 934,400</b>	<b>\$ 963,106</b>



*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: Family Support Service**

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 that 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. However, the safety of children is a paramount concern of this program. Policies and procedures have been instituted to protect children from harm and to minimize time in foster homes and institutions. Court oversight for children who have been abused and neglected has been increased and new emphasis has been placed on parental responsibility for children.

Services provided by the counties include 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, day treatment services, child protective services, emergency shelter services, counseling and juvenile detention.

Special programs have been developed to support the delivery of services by county child welfare agencies. One program provides equalized access to adoption 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. Community Based Family Centers also provide coordinated services to children and their families in a neighborhood setting.

The courts may order any service or care for children who have been adjudicated dependent or delinquent. This may include youth adjudicated delinquent but remanded to private residential treatment programs. Treatment is reviewed on a periodic basis.

**Program Element: Youth Development Service**

Pennsylvania's juvenile justice system is designed to minimize institutionalization while recognizing that confinement in a treatment environment is necessary for certain juveniles who pose a threat to themselves or others. The court may sentence youth to either the Youth Development Center and Youth Forestry Camp (YDC/YFC) System or a private facility. Both systems provide residential

programs for the treatment of Pennsylvania's serious juvenile offenders and those with special problems. The purpose of the system is to bring about positive changes in the juveniles by developing skills and attitudes that will enable them to become responsible, productive members of society.

Administrative Complex	July 1998 Population	July 1999 Population	Projected July 2000 Population	Projected July 2000 Capacity	Projected July 2000 % of Capacity
Bensalem*	89	11	0	0	0%
YFC - Hickory Run	51	46	49	49	100%
YFC - Trough Creek	67	58	62	62	100%
New Castle	299	294	318	318	100%
Loysville	334	355	364	364	100%
<b>Total Current Programs</b>	<b>840</b>	<b>764</b>	<b>793</b>	<b>793</b>	<b>100%</b>

\*The Bensalem YDC closed August 20, 1999.

The YDCs/YFCs have a total capacity of 793 youth. Included in the system are specialized treatment services for sex offenders, arsonists, drug and alcohol abusers, and emotionally disturbed and mentally retarded youth.

Treatment of youth within the YDCs/YFCs is guided by the Master Case Planning System. This system requires comprehensive diagnosis and assessment of each youth in care, development of an individualized treatment plan, implementation strategies, periodic reviews and revisions of each plan, and identification of aftercare needs. Individual and group counseling forms the core of the treatment process.

The YDCs/YFCs emphasize programs and activities designed to promote youth competency, victim awareness, social and financial restitution and public safety and protection. Each program provides training and education in daily living skills. Many YDCs/YFCs also provide actual job training and work experience opportunities where youth may be paid. Youth are required to use a portion of their earnings for restitution.

Education is a major component of the YDC/YFC system. Each program includes both academic and vocational curricula. Educational diagnostic testing precedes all academic placements and is utilized in the development of Individual Education Plans (IEPs) for each youth.

**Program Element: Child Care**

Subsidized child care is provided to low-income families who need child care in order to maintain employment. 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 copayments.

**Program: Human Services (continued)**

Parents can receive subsidized child care from various child care facilities including licensed centers, group child care homes, registered family child care homes and relatives or neighbors. All child care facilities must meet health and safety standards developed by the department. To receive subsidized funding for nonlicensed care, a provider must register with the Child Care Information Services (CCIS) Agency that administers the subsidized funds in the provider's area.

Child Care Information Services Agencies operate Statewide. The objectives of the subsidy program are to offer parent choice for child care service, offer parents information on how to select good child care, allow more licensed/registered providers to participate in the State subsidized system and allow the Commonwealth to purchase services at rates that assure adequate access to care.

***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 Element: Services to the Disabled***

A variety of services are provided through this program which enable people with severe physical or cognitive impairments to attain their highest functioning level and live in the community. People served through these programs do not qualify for services from other programs provided by the department.

The attendant care program serves adults ages 18-59 through a variety of program models. Personal assistance services such as dressing and grooming are those non-disabled persons would do for themselves. Service enables recipients to remain in or return to their own homes and maintain an independent lifestyle. Persons age 60 and over receive attendant care through funding provided by the Department of Aging.

People with physical disabilities such as cerebral palsy and other impairments (not including mental illness) are served both in nursing homes and community residential settings. 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. The services assist consumers to function as independently as possible. Many of the people served had been in nursing homes but were able to live in the community with support. Others are able to avoid institutionalization through supports offered by the program.

Similar services are provided to individuals with cognitive disabilities such as, but not limited to traumatic brain injury or autism, who do not have other related disabilities. These services are provided to enable the consumers to function in the community as independently as possible after they have progressed beyond initial acute rehabilitation. This population requires a special mix of services to address short-term memory issues through functional rather than medical supports.

***Program Element: Legal Services***

The department contracts with the Pennsylvania Legal Services Center, a private, nonprofit corporation, to provide civil legal assistance for low-income persons with family, consumer, employment and other problems. The emphasis of the service delivery is to provide 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.



## Program: Human Services (continued)

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 these individuals. The program provides housing for an indefinite period of time, coupled with supportive services that will enable the client to move to a long-term semi-independent or independent living situation.

Program Measures:	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Youth Development Centers</b>							
YDC — youth served .....	1,986	1,800	1,800	1,800	1,800	1,800	1,800
YDC — occupancy rates .....	91%	100%	100%	100%	100%	100%	100%
YDC — youth in work experience.....	427	425	440	440	440	440	440
<b>Family Support Services</b>							
Children receiving child welfare services at home .....	152,625	160,986	153,321	160,000	160,000	160,000	160,000
Out of home placement in:							
Community residential programs .....	19,332	21,918	22,070	22,100	22,100	22,100	22,100
Institutional care programs .....	5,784	5,722	6,782	6,800	6,800	6,800	6,800
Agency arranged adoptions .....	1,682	1,800	1,800	1,800	1,800	1,800	1,800
Children waiting for adoption .....	4,428	4,907	5,400	5,400	5,400	5,400	5,400
Children receiving day care .....	60,020	61,510	63,745	63,745	63,745	63,745	63,745
Percent of child abuse reports substantiated .....	25.10%	24.90%	24.80%	24.80%	24.80%	24.80%	24.80%
<b>Homeless Assistance</b>							
Total persons receiving homeless services.....	115,273	106,000	104,000	102,000	100,000	100,000	100,000
<b>Other Human Services</b>							
Domestic violence persons served .....	53,216	59,275	59,275	59,275	59,275	59,275	59,275
Rape crisis/sexual assault persons served .....	16,226	18,000	18,000	18,000	18,000	18,000	18,000
Breast cancer screening clients .....	110,157	114,999	115,000	115,000	115,000	115,000	115,000
Legal service clients .....	26,594	24,190	24,190	24,190	24,190	24,190	24,190
Attendant care persons served .....	3,582	3,838	3,984	4,000	4,000	4,000	4,000
Persons with developmental disabilities served in nursing facilities .....	685	648	648	680	680	680	680
Persons with developmental disabilities served in the community .....	271	402	422	520	520	520	520

Youth served and youth in work experience in the Youth Development Centers has decreased from last year's budget because of the closure of the Bensalem YDC in August 1999.

Children in out of home placement in community residential programs has decreased from last year's budget to reflect increased utilization of in-home services.

Agency arranged adoptions has decreased from last year's budget based on actual experience.

Attendant Care persons served has increased from last year to reflect the unduplicated number of persons served instead of the number of Attendant Care slots.

Persons with developmental disabilities served in the community decreased from last year's budget because it took longer to secure Federal waiver approval than anticipated.



**Program: Human Services (continued)**

**Program Recommendations:** This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>\$ 3,433 — to continue current program.</p> <p>—9,527 — nonrecurring cost of the Bensalem Youth Development Center which closed in August 1999.</p> <p>12 — to provide for a training academy pilot project.</p> <p>—969 — nonrecurring maintenance and security projects.</p> <hr/> <p>\$ —7,051 <i>Appropriation Decrease</i></p>	<p><b>Youth Development Institutions and Forestry Camps</b></p> <p>26,938 — for county needs-based budgets as mandated by Act 30 of 1991.</p> <p>6,164 — to provide a two percent cost-of-living adjustment for services not provided by county staff.</p> <p>—2,215 — to reflect reduced court placement of delinquents in private residential facilities.</p> <p>1,031 — for expanded utilization of the automated case management and reporting system.</p> <p>4,431 — to reflect nonrecurring offsets from the county share of YDC costs.</p> <p>2,822 — to continue current program.</p> <p>—1,005 — Initiative — Subsidized Legal Custodianship. Savings as the result of providing subsidy payments for children permanently placed with legal custodians.</p> <p>700 — Initiative — Child Welfare Information System Enhancements. To enhance the child welfare information system which supports planning and budgeting activities and results-based management approaches.</p> <p>101 — Initiative — Child Welfare Competency — Based Training Enhancements. To provide staff training on the use of the child welfare information system.</p> <hr/> <p>\$ 38,967 <i>Appropriation Increase</i></p>	<p>\$ 25 — to provide a two percent cost-of-living adjustment.</p> <p>\$ 707 — to provide a two percent cost-of-living adjustment.</p> <p>\$ 50 — to provide a two percent cost-of-living adjustment.</p> <p>\$ 516 — to provide a two percent cost-of-living adjustment.</p> <p>\$ 140 — to provide a two percent cost-of-living adjustment.</p> <p>282 — to serve additional individuals in the Independence and OBRA waiver programs.</p> <p>6 — revision of Federal financial participation rate from 53.81% to 53.67%.</p> <p>1,358 — PRR — Expanding Home and Community-Based Opportunities for Persons with Disabilities. This Program Revision provides home and community-based services for additional persons with disabilities, including traumatic brain injury and autism. See the Program Revision following this program for additional information.</p> <hr/> <p>\$ 1,786 <i>Appropriation Increase</i></p> <p>\$ 457 — to provide a two percent cost-of-living adjustment.</p> <p>6 — revision of Federal financial participation rate from 53.81% to 53.67%.</p> <hr/> <p>\$ 463 <i>Appropriation Increase</i></p>	<p><b>Breast Cancer Screening</b></p> <p><b>Human Services Development Fund</b></p> <p><b>Legal Services</b></p> <p><b>Homeless Assistance</b></p> <p><b>Services to Persons with Disabilities</b></p> <p><b>Attendant Care</b></p>
<p>\$ 62 — to provide a two percent cost-of-living adjustment.</p>	<p><b>Community Based Family Centers</b></p>		
<p>\$ 1,170 — to provide a two percent cost-of-living adjustment.</p>	<p><b>Child Care Services</b></p>		
<p>\$ 229 — to provide a two percent cost-of-living adjustment.</p>	<p><b>Domestic Violence</b></p>		
<p>\$ 115 — to provide a two percent cost-of-living adjustment.</p>	<p><b>Rape Crisis</b></p>		

All other appropriations are recommended at the current year funding level.

In addition, the Promoting Self-Sufficiency and Responsibility Program Revision following the Income Maintenance program recommends \$10 million in Federal funds to provide quality improvements, capacity building and operational enhancements for child care centers.



## Program: Human Services (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Youth Development Institutions and Forestry Camps .....	\$ 77,652	\$ 79,521	\$ 72,470	\$ 73,919	\$ 75,397	\$ 76,905	\$ 78,443
County Child Welfare .....	403,619	431,245	470,212	501,634	535,660	573,361	613,701
Adoptions and Safe Families .....	6,060	0	0	0	0	0	0
Community Based Family Centers .....	3,061	3,122	3,184	3,184	3,184	3,184	3,184
Child Care Services .....	57,545	58,513	59,683	59,683	59,683	59,683	59,683
Domestic Violence .....	10,769	11,449	11,678	11,678	11,678	11,678	11,678
Rape Crisis .....	4,583	5,728	5,843	5,843	5,843	5,843	5,843
Breast Cancer Screening .....	902	1,220	1,245	1,245	1,245	1,245	1,245
Human Services Development Fund .....	35,374	35,374	36,081	36,081	36,081	36,081	36,081
Legal Services .....	2,450	2,499	2,549	2,549	2,549	2,549	2,549
Homeless Assistance .....	27,501	26,807	27,323	27,323	27,323	27,323	27,323
Services to Persons with Disabilities .....	8,036	8,197	9,983	13,216	13,216	13,216	13,216
Attendant Care .....	20,525	22,837	23,300	23,300	23,300	23,300	23,300
Arsenal Family and Children's Center .....	160	160	160	160	160	160	160
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 658,237</b>	<b>\$ 686,672</b>	<b>\$ 723,711</b>	<b>\$ 759,815</b>	<b>\$ 795,319</b>	<b>\$ 834,528</b>	<b>\$ 876,406</b>



## Program Revision: Expanding Home and Community-Based Opportunities for Persons with Disabilities

The Commonwealth has made significant investments over the last several years to afford persons with disabilities the opportunity to be as productive as possible and to fully participate in society. Historically, services for individuals with mental and physical disabilities have been provided in institutional settings, such as State mental retardation centers, intermediate care facilities and nursing homes. As a result of medical and technological advancements and the development of more sophisticated service delivery systems, many individuals with disabilities are now able to remain in their homes and communities with the appropriate supports. This Program Revision proposes \$72.2 million in State and Federal funds to continue the Commonwealth's commitment to provide services for individuals with disabilities that promote independence and self-respect, and maximize opportunities for family and community involvement.

The availability of services for persons with mental retardation has been progressively shifting over the last several years from institutional care to home and community-based care. This Program Revision proposes approximately \$50.7 million in State and Federal funds to further enhance community opportunities for persons with mental retardation, including community placements for 221 residents of State centers and 1,232 individuals on county waiting lists, and enhanced services for 2,852 individuals currently receiving assistance.

This Program Revision also proposes several initiatives to enhance community-based services for individuals with mental illness. Approximately \$5.5 million is recommended to expand the Community/Hospital Integration Projects Program which provides community-based service alternatives for persons currently residing in State mental hospitals. Through this initiative, 200 State hospital residents would be provided community placements with a similar reduction in State hospital beds. In addition, approximately \$2.6 million in prior year State funds will be made available in fiscal year 2000-01 to enhance the continuum of mental health services in select counties within the Lehigh/Capital region in preparation for the implementation of Medical Assistance behavioral health managed care.

To prevent psychiatric hospitalization and premature placements into nursing homes, this Program Revision provides \$220,000 in Federal funds to implement a pilot program to identify older individuals in the community who have or are at-risk for mental illness. This initiative involves the training of non-traditional community referral sources, including employees of businesses and organizations that have regular contact with older adults, to identify and refer those individuals in need of services who do not seek services themselves or who do not have someone to seek services for them. Once referred, a case management team consisting of a psychiatric nurse and social worker would

conduct a comprehensive face-to-face assessment and evaluation and make the appropriate service referrals.

The Commonwealth currently offers a variety of Medicaid waiver programs which enable individuals to remain in their homes and communities as opposed to institutional settings. This Program Revision provides approximately \$3 million in State and Federal funds to expand the availability of Medicaid home and community-based waiver services for 100 additional persons with disabilities who would otherwise need more restrictive and expensive institutional care, including individuals with traumatic brain injury and autism. In addition, this Program Revision proposes approximately \$4 million in State and Federal funds to provide Medicaid home and community-based waiver services for 1,500 additional older Pennsylvanians as an alternative to nursing home care. These expanded services will enable additional individuals to age at home with dignity while maximizing family and community involvement.

To further support older Pennsylvanians in the community, this Program Revision recommends \$825,000 to expand the Family Caregiver Program which provides assistance to individuals that care for frail family members in their 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, 285 additional families will receive Family Caregiver support services.

Accessible housing is critical to enable persons with disabilities to remain in the community rather than be placed in an institutional setting, such as a nursing home or intermediate care facility. Such institutional placements not only reduce the quality of life for individuals with disabilities and their families, it also results in higher costs. This Program Revision proposes \$5 million in Federal funds for the Department of Community and Economic Development and the Pennsylvania Housing Finance Agency to provide financial assistance and loans for home modifications for low-income families that include persons with disabilities, in an effort to promote independent living and self-sufficiency. In addition, \$300,000 is recommended for the Assistive Technology Program in the Department of Community and Economic Development which provides loan guarantees to individuals with disabilities for the purchase of assistive technology.

This Program Revision continues the Commonwealth's commitment to improving the quality of life for persons with disabilities. It strengthens and expands successful programs and implements new and innovative initiatives designed to enhance the continuum of home and community-based supports which enable persons with disabilities to live as independently as possible.



## Program Revision: Expanding Home and Community-Based Opportunities for Persons with Disabilities (continued)

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Additional persons receiving community mental retardation services Program Revision .....	0	0	1,453	2,359	3,321	4,179	5,037
Persons with mental retardation receiving enhanced services Program Revision .....	0	0	2,852	2,852	2,852	2,852	2,852
Additional residents of State mental hospitals discharged to community-based placements Program Revision .....	0	0	200	200	200	200	200
Additional persons with disabilities receiving home and community-based services Program Revision .....	0	0	100	100	100	100	100
Additional older Pennsylvanians receiving alternatives to nursing home care Program Revision .....	0	0	1,500	4,253	6,480	8,708	10,935
Additional families receiving Family Caregiver support services Program Revision .....	0	0	285	285	285	285	285

### Program Revision Recommendations: This budget recommends the following changes: (Dollar Amounts in Thousands)

	<b>GENERAL FUND</b>				<b>County Administration - Statewide</b>
	<b>AGING</b>		\$	57	— to provide administrative support for home and community-based services for older Pennsylvanians as an alternative to nursing home care.
\$	825	<b>Family Caregiver</b>			
		— to provide Family Caregiver support services to additional families.			
		<b>PUBLIC WELFARE</b>			<b>COMMUNITY AND ECONOMIC DEVELOPMENT</b>
\$	15,253	<b>Community Mental Retardation Services</b>			<b>PEDFA-PA Technology Investment Authority</b>
		— to provide home and community-based services for additional persons with mental retardation.	\$	300	— to provide loan guarantees for individuals with disabilities for the purchase of assistive technology.
\$	5,522	<b>Mental Health Services</b>			<b>TOBACCO SETTLEMENT FUND</b>
		— to provide community-based service alternatives for persons currently residing in State mental hospitals.			<b>AGING</b>
\$	1,358	<b>Services to Persons with Disabilities</b>		\$	1,123
		— to provide home and community-based services for additional persons with disabilities, including traumatic brain injury and autism.			<b>Nursing Home Alternatives Support</b>
					— to provide home and community-based services for older Pennsylvanians as an alternative to nursing home care.
\$	79	<b>General Government Operations</b>		\$	718
		— to provide administrative support for home and community-based services for persons with disabilities, including traumatic brain injury and autism.			<b>PUBLIC WELFARE</b>
					<b>Nursing Home Alternative Services</b>
					— to provide home and community-based services for older Pennsylvanians as an alternative to nursing home care.
			\$	25,235	<i>Program Revision Total</i>

In addition, this budget provides: \$35,428,000 in Federal funds to expand home and community-based services for persons with mental retardation; \$2,628,000 in prior year State funds to enhance the continuum of mental health services in select counties within the Lehigh/Capital region in preparation for the implementation of Medical Assistance behavioral health managed care; \$220,000 in Federal funds for a pilot program to identify older Pennsylvanians with mental health needs; \$1,602,000 in Federal funds to expand services for persons with disabilities, including traumatic brain injury and autism; \$2,057,000 in Federal funds to expand home and community-based services for older Pennsylvanians; and \$5,000,000 in Federal funds to provide financial assistance and loans for home modifications for low-income families that include persons with disabilities.





## Program Revision: Expanding Home and Community-Based Opportunities for Persons with Disabilities (continued)

### Recommended Program Revision Costs by Appropriation:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
<b>Aging</b>							
Family Caregiver .....	\$ 0	\$ 0	\$ 825	\$ 825	\$ 825	\$ 825	\$ 825
<b>Public Welfare</b>							
General Government Operations .....	0	0	79	109	111	114	116
County Administration - Statewide .....	0	0	57	102	104	106	108
Mental Health Services .....	0	0	5,522	9,455	3,711	3,711	3,711
State Centers for the Mentally Retarded ....	0	0	0	-2,933	-5,982	-6,102	-6,224
Long-Term Care .....	0	0	0	-5,884	-12,761	-20,723	-29,900
Community Mental Retardation Services ...	0	0	15,253	42,109	69,048	96,787	123,148
Services to Persons with Disabilities .....	0	0	1,358	4,142	4,142	4,142	4,142
<b>Community and Economic Development</b>							
<b>PEDFA-Pennsylvania Technology</b>							
Investment Authority .....	0	0	300	300	300	300	0
<b>GENERAL FUND TOTAL</b> .....	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 23,394</b>	<b>\$ 48,225</b>	<b>\$ 59,498</b>	<b>\$ 79,160</b>	<b>\$ 95,926</b>
<b>TOBACCO SETTLEMENT FUND:</b>							
<b>Aging</b>							
Nursing Home Alternatives Support .....	\$ 0	\$ 0	\$ 1,123	\$ 3,884	\$ 7,066	\$ 10,587	\$ 14,378
<b>Public Welfare</b>							
Nursing Home Alternative Services .....	0	0	718	7,338	15,561	24,401	33,618
<b>TOBACCO SETTLEMENT FUND TOTAL</b> .....	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,841</b>	<b>\$ 11,222</b>	<b>\$ 22,627</b>	<b>\$ 34,988</b>	<b>\$ 47,996</b>





---

# DEPARTMENT OF REVENUE

*The mission of the Department of Revenue is to administer the tax laws of the Commonwealth in a fair and equitable manner. The Department of Revenue also administers the State lottery which generates funds for programs that benefit older Pennsylvanians.*

The Department of Revenue collects all tax levies as well as various fees, fines and other monies due the Commonwealth. The department also supervises the administration and collection of monies for the first and second class county sales tax and various special funds.

The department prepares the official estimates of the tax yield due the Commonwealth and analyzes the effect on revenues of proposed changes in either the laws or the tax structure of the Commonwealth.



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99	1999-00	2000-01
	ACTUAL	AVAILABLE	BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
General Government Operations.....	\$ 119,089	\$ 131,267 <sup>a</sup>	\$ 137,228
(A)Cigarette Fines and Penalties.....	15	15	15
(A)Cigarette Tax Enforcement.....	878	845	846
(A)Services to Special Funds.....	7,727	8,201	7,946
(A)EDP and Staff Support.....	6,172	5,478	4,924
(A)Tax Information.....	161	185	185
(A)Private Letter Valuation Charges.....	6	0	0
(A)Local Sales Tax.....	2,794	2,678	2,720
(A)Small Games of Chance.....	227	218	218
General Operations - Lottery Administration.....	0	45,815 <sup>b</sup>	46,544
(A)License Fees.....	0	120	15
(A)Winning Number.....	0	120	136
(A)Annuity Assignment Fees.....	0	40	20
Commissions - Inheritance & Realty Transfer Taxes (EA).....	6,270	6,368	6,996
Computer Acquisitions.....	2,710	711	0
Subtotal - State Funds.....	\$ 128,069	\$ 184,161	\$ 190,768
Subtotal - Augmentations.....	17,980	17,900	17,025
Total - General Government.....	\$ 146,049	\$ 202,061	\$ 207,793
<i>Grants and Subsidies:</i>			
Distribution of Public Utility Realty Tax.....	\$ 163,971	\$ 136,700	\$ 53,000
STATE FUNDS.....	\$ 292,040	\$ 320,861	\$ 243,768
AUGMENTATIONS.....	17,980	17,900	17,025
GENERAL FUND TOTAL.....	\$ 310,020	\$ 338,761	\$ 260,793
<b>MOTOR LICENSE FUND:</b>			
<i>General Government:</i>			
Collections - Liquid Fuels Tax.....	\$ 11,963	\$ 12,309	\$ 13,042
(A)Fuel Tax Enforcement.....	60	25	25
(A)International Fuel Tax Agreement.....	37	0	0
Subtotal - State Funds.....	\$ 11,963	\$ 12,309	\$ 13,042
Subtotal - Augmentations.....	97	25	25
Total - General Government.....	\$ 12,060	\$ 12,334	\$ 13,067
<i>Refunds:</i>			
Refunding Liquid Fuels Tax (EA).....	\$ 6,200	\$ 6,000	\$ 6,680
STATE FUNDS.....	\$ 18,163	\$ 18,309	\$ 19,722
AUGMENTATIONS.....	97	25	25
MOTOR LICENSE FUND TOTAL.....	\$ 18,260	\$ 18,334	\$ 19,747
<b>LOTTERY FUND:</b>			
<i>General Government:</i>			
General Operations (EA).....	\$ 47,279	\$ 0	\$ 0
(A)License Fees.....	12	0	0
(A)Telephone Lines.....	3,599	0	0
(A)Lottery Number Publication.....	1	0	0
(A)Winning Number Line.....	136	0	0
(A)Annuity Assignment Fees.....	10	0	0
On-Line Vendor Commissions (EA).....	27,227	36,698	38,646
Instant Vendor Commissions (EA).....	9,487	9,982	10,110



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
Personal Income Tax for Lottery Prizes (EA).....	24,416	0	0
Payment of Prize Money (EA).....	167,817	198,105	182,888
Subtotal - State Funds.....	\$ 276,226	\$ 244,785	\$ 231,644
Subtotal - Augmentations.....	3,758	0	0
Total - General Government.....	\$ 279,984	\$ 244,785	\$ 231,644
<b>Grants and Subsidies:</b>			
Property Tax & Rent Assistance for Older Pennsylvanians(EA).....	\$ 77,399	\$ 80,000	\$ 155,500
STATE FUNDS.....	\$ 353,625	\$ 324,785	\$ 387,144
AUGMENTATIONS.....	3,758	0	0
LOTTERY FUND TOTAL.....	\$ 357,383	\$ 324,785	\$ 387,144
<b>RACING FUND:</b>			
<b>General Government:</b>			
Collections - State Racing (EA).....	\$ 209	\$ 216	\$ 222
RACING FUND TOTAL.....	\$ 209	\$ 216	\$ 222
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 292,040	\$ 320,861	\$ 243,768
SPECIAL FUNDS.....	371,997	343,310	407,088
AUGMENTATIONS.....	21,835	17,925	17,050
TOTAL ALL FUNDS.....	\$ 685,872	\$ 682,096	\$ 667,906

<sup>a</sup> Includes recommended supplemental appropriation of \$8,000,000.

<sup>b</sup> Includes recommended supplemental appropriation of \$600,000.



## Program Funding Summary

	(Dollar Amounts in Thousands)						
	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>REVENUE COLLECTION AND ADMINISTRATION</b>							
GENERAL FUND.....	\$ 128,069	\$ 184,161	\$ 190,768	\$ 190,251	\$ 194,057	\$ 197,939	\$ 201,898
SPECIAL FUNDS.....	294,598	263,310	251,588	251,654	252,415	253,185	253,963
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	21,835	17,925	17,050	17,390	17,736	18,091	18,453
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 444,502</b>	<b>\$ 465,396</b>	<b>\$ 459,406</b>	<b>\$ 459,295</b>	<b>\$ 464,208</b>	<b>\$ 469,215</b>	<b>\$ 474,314</b>
<b>COMMUNITY DEVELOPMENT AND PRESERVATION</b>							
GENERAL FUND.....	\$ 163,971	\$ 136,700	\$ 53,000	\$ 37,100	\$ 38,900	\$ 42,900	\$ 45,000
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
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 163,971</b>	<b>\$ 136,700</b>	<b>\$ 53,000</b>	<b>\$ 37,100</b>	<b>\$ 38,900</b>	<b>\$ 42,900</b>	<b>\$ 45,000</b>
<b>HOMEOWNERS AND RENTERS ASSISTANCE</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	77,399	80,000	155,500	153,945	152,406	150,882	149,373
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 77,399</b>	<b>\$ 80,000</b>	<b>\$ 155,500</b>	<b>\$ 153,945</b>	<b>\$ 152,406</b>	<b>\$ 150,882</b>	<b>\$ 149,373</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 292,040	\$ 320,861	\$ 243,768	\$ 227,351	\$ 232,957	\$ 240,839	\$ 246,898
SPECIAL FUNDS.....	371,997	343,310	407,088	405,599	404,821	404,067	403,336
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	21,835	17,925	17,050	17,390	17,736	18,091	18,453
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 685,872</b>	<b>\$ 682,096</b>	<b>\$ 667,906</b>	<b>\$ 650,340</b>	<b>\$ 655,514</b>	<b>\$ 662,997</b>	<b>\$ 668,687</b>



*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, beverage and realty transfer taxes. Tax revenue is also collected for the first and second class county sales taxes and for the Motor License and Racing Funds.

The department continues to expand the use of automated procedures thereby permitting quick deposit of funds and review of a tax return's accuracy. It is adding automated processes that assist taxpayers in filing accurately and more efficiently such as the Pennsylvania Tax Information Data Exchange System (PA TIDES), the Electronic Data

Interchange (EDI) Tax Filing Program, and Telefile. This has permitted the department to keep the cost of collection under \$.90 for every \$100 collected.

To ensure fairness in tax administration, the department audits and verifies 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 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:

Collections from delinquent accounts (in millions) .....	\$532	\$559	\$587	\$616	\$647	\$679	\$713
Amounts due as a result of audit assessments (in millions) .....	\$130	\$127	\$133	\$140	\$147	\$154	\$160
Personal Income Tax: Returns Processed .....	5,704,755	5,714,800	5,725,000	5,730,000	5,735,000	5,740,000	5,745,000
Corporation Taxes Settlement Time:							
Tax Liabilities Less than \$10,000 .....							
Settled in 9 months or less .....	55,120	80,000	108,025	140,250	173,500	206,500	240,000
Settled in 10 months or longer .....	138,933	120,845	100,000	75,000	50,000	25,000	0
Tax Liabilities \$10,000 - \$50,000 .....							
Settled in 9 months or less .....	4,564	4,666	7,000	8,000	10,000	13,000	17,500
Settled in 10 to 13 months .....	9,606	10,000	8,000	7,750	6,300	4,000	0
Tax Liabilities Greater than \$50,000 .....							
Settled in 9 months or less .....	0	2,000	2,500	3,000	4,000	4,500	5,500
Settled in 10 to 13 months .....	5,386	3,575	3,475	3,000	2,200	2,000	1,000
Returns requiring manual processing .....	20,962	21,000	21,000	21,000	21,000	21,000	21,000
Total Settled Accounts .....	234,571	242,086	250,000	258,000	267,000	276,000	285,000
Total Active Accounts .....	242,381	247,228	250,000	255,000	260,000	265,000	270,000
Lottery operating costs as a percent of ticket sales .....	4.61%	5.01%	5.22%	5.17%	5.23%	5.29%	5.36%

The various Corporation Taxes Settled have been updated from last year's budget projections based on actual data and the latest evaluation of future year estimates.

Returns Requiring Manual Processing decrease from those shown in last year's budget due to the elimination of the Motor Vehicles Gross Receipts Tax.

Total Active Accounts decreased from those shown in last year's budget based on revised data collection.



## Program: Revenue Collection and Administration (continued)

### Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	<b>GENERAL FUND</b>		
	<b>General Government Operations</b>		<b>MOTOR LICENSE FUND</b>
\$ -6,000	—nonrecurring real estate tax rebate processing.	\$ 733	<b>Collections - Liquid Fuels Tax (EA)</b> —to continue current program.
-375	—nonrecurring tax form imaging.		<b>Refunding Liquid Fuels Tax (EA)</b> —to continue current program.
362	—Initiative — Tax System Automation. To automate information systems related to Pennsylvania "S" Corporations and Partnership income tax returns.	\$ 680	
779	—to continue internet-based tax filing.		<b>LOTTERY FUND</b>
2,000	—Initiative — Enhanced Appeals Docket System. To create a unified electronic system containing appealed case information.	\$ 1,948	<b>On-Line Vendor Commissions (EA)</b> —to continue current program.
2,603	—to continue current program.	\$ 128	<b>Instant Vendor Commissions (EA)</b> —based on the latest projection of program requirements.
6,592	—to expand computer programming and data center services.	\$ -15,217	<b>Payment of Prize Money (EA)</b> —based on the latest projection of program requirements.
<u>\$ 5,961</u>	<i>Appropriation Increase</i>		
	<b>General Operations - Lottery Administration</b>		<b>RACING FUND</b>
\$ 316	—to increase data center services.		<b>Collections - Racing (EA)</b> —to continue current program.
413	—to continue current program.	\$ 6	
<u>\$ 729</u>	<i>Appropriation Increase</i>		
	<b>Commissions - Inheritance &amp; Realty Transfer Taxes (EA)</b>		
\$ 628	—to continue current program.		
	<b>Computer Acquisitions</b>		
\$ -711	—nonrecurring equipment.		



Including PRIME recommendation to continue integrating all business tax systems, including sales, employer and corporation tax through the Keystone Integrated Tax System.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 119,089	\$ 131,267	\$ 137,228	\$ 135,640	\$ 138,353	\$ 141,120	\$ 143,942
General Operations - Lottery Administration .....	0	45,815	46,544	47,475	48,425	49,394	50,382
Commissions - Inheritance & Realty Transfer Taxes (EA) .....	6,270	6,368	6,996	7,136	7,279	7,425	7,574
Computer Acquisitions .....	2,710	711	0	0	0	0	0
<b>TOTAL GENERAL FUND .....</b>	<u>\$ 128,069</u>	<u>\$ 184,161</u>	<u>\$ 190,768</u>	<u>\$ 190,251</u>	<u>\$ 194,057</u>	<u>\$ 197,939</u>	<u>\$ 201,898</u>
<b>MOTOR LICENSE FUND:</b>							
Collections - Liquid Fuels Tax .....	\$ 11,963	\$ 12,309	\$ 13,042	\$ 12,875	\$ 13,133	\$ 13,396	\$ 13,664
Refunding Liquid Fuels Tax (EA) .....	6,200	6,000	6,680	6,680	6,680	6,680	6,680
<b>TOTAL MOTOR LICENSE FUND .....</b>	<u>\$ 18,163</u>	<u>\$ 18,309</u>	<u>\$ 19,722</u>	<u>\$ 19,555</u>	<u>\$ 19,813</u>	<u>\$ 20,076</u>	<u>\$ 20,344</u>



## Program: Revenue Collection and Administration (continued)

### Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>LOTTERY FUND:</b>							
General Operations (EA) .....	\$ 47,279	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
On-Line Vendor Commissions (EA) .....	27,227	36,698	38,646	38,480	38,480	38,481	38,482
Instant Vendor Commissions (EA) .....	9,487	9,982	10,110	10,057	10,106	10,155	10,204
Personal Income Tax for Lottery Prizes (EA) .....	24,416	0	0	0	0	0	0
Payment of Prize Money (EA) .....	167,817	198,105	182,888	183,336	183,785	184,237	184,692
<b>TOTAL LOTTERY FUND .....</b>	<b>\$ 276,226</b>	<b>\$ 244,785</b>	<b>\$ 231,644</b>	<b>\$ 231,873</b>	<b>\$ 232,371</b>	<b>\$ 232,873</b>	<b>\$ 233,378</b>
<b>RACING FUND:</b>							
Collections — Racing (EA) .....	\$ 209	\$ 216	\$ 222	\$ 226	\$ 231	\$ 236	\$ 241





*PROGRAM OBJECTIVE: To equitably distribute the public utility realty tax to all reporting local taxing authorities.*

**Program: Community Development and Preservation**

A 1968 amendment to the State Constitution exempted public utilities from locally administered property taxes and authorized the collection of a similar Statewide tax known as the Public Utility Realty Tax. The proceeds of the tax are distributed to each local taxing authority thereby providing local revenue while insuring fair treatment for utilities. Act 4 of 1999 revised the definition of public utility property and specifically removed, after December 31, 1999, electricity generation facilities from the definition.

This was done in conjunction with electric de-regulation which opened market competition and moved away from previous public utility definitions for power generation.

The distribution is based on the ratio between the total tax receipts of a local taxing authority and the total tax receipts of all reporting tax authorities. This ratio is then applied to the total amount of taxes that reporting authorities could have collected had they been able to directly tax public utility realty.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Taxing authorities receiving funds .....	3,067	3,056	3,075	3,075	3,075	3,075	3,075

**Program Recommendation:** This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ -83,700 **Distribution of Public Utility Realty Tax**  
 —reflects distribution based on the latest projection of utility property assessments.

	(Dollar Amounts in Thousands)						
	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Distribution of Public Utility Realty Tax .....	\$ 163,971	\$ 136,700	\$ 53,000	\$ 37,100	\$ 38,900	\$ 42,900	\$ 45,000



*PROGRAM OBJECTIVE: To increase economic stability by assisting eligible Pennsylvania citizens to maintain their homes.*

**Program: Homeowners and Renters Assistance**

This program allows older Pennsylvanians, surviving spouses over 50 and permanently disabled citizens to lead fuller lives by restoring a portion of their income through property tax and rent rebate assistance.

Act 53 of 1985 set the income ceiling for program eligibility at \$15,000 per household. The assistance declines

from a maximum benefit of 100 percent of the tax or \$500 whichever is less. Act 30 of 1999 excludes 50 percent of Social Security Income and Railroad Retirement Benefits from the income eligibility calculation. In 1998-99, the average tax assistance payment was \$246.93 and the average rent rebate was \$272.86.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Households provided property tax or rent assistance .....	297,117	288,203	449,554	436,067	422,985	410,296	397,987

Beginning in 2000-01, households provided property tax or rent assistance increase from last year's budget projection due to the expansion of eligibility through the exclusion of 50 percent social security and railroad retirement benefit income.

**Program Recommendation:** This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 75,500 **Property Tax & Rent Assistance for Older Pennsylvanians (EA)**  
 —increased eligibility based on exclusion of 50% of social security and railroad retirement benefit income.

	<b>Appropriations within this Program:</b>						
	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>LOTTERY FUND:</b>							
Property Tax & Rent Assistance for Older Pennsylvanians(EA) .....	\$ 77,399	\$ 80,000	\$ 155,500	\$ 153,945	\$ 152,406	\$ 150,882	\$ 149,373





---

# SECURITIES COMMISSION

*The mission of the Securities Commission is to protect Pennsylvania investors from fraudulent and abusive practices in the offer and sale of securities in the Commonwealth, and to foster legitimate capital formation activities to grow Pennsylvania businesses.*



## Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
General Government Operations.....	\$ 2,074	\$ 2,188	\$ 2,199
(A)Consumer Protection.....	3,639	4,097	4,493
Subtotal - State Funds.....	\$ 2,074	\$ 2,188	\$ 2,199
Subtotal - Augmentations.....	3,639	4,097	4,493
Total - General Government.....	\$ 5,713	\$ 6,285	\$ 6,692
STATE FUNDS.....	\$ 2,074	\$ 2,188	\$ 2,199
AUGMENTATIONS.....	3,639	4,097	4,493
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 5,713</b>	<b>\$ 6,285</b>	<b>\$ 6,692</b>



**Program Funding Summary**

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>SECURITIES INDUSTRY REGULATION</b>							
GENERAL FUND.....	\$ 2,074	\$ 2,188	\$ 2,199	\$ 2,243	\$ 2,288	\$ 2,334	\$ 2,381
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	3,639	4,097	4,493	4,583	4,675	4,769	4,864
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 5,713</b>	<b>\$ 6,285</b>	<b>\$ 6,692</b>	<b>\$ 6,826</b>	<b>\$ 6,963</b>	<b>\$ 7,103</b>	<b>\$ 7,245</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 2,074	\$ 2,188	\$ 2,199	\$ 2,243	\$ 2,288	\$ 2,334	\$ 2,381
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	3,639	4,097	4,493	4,583	4,675	4,769	4,864
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 5,713</b>	<b>\$ 6,285</b>	<b>\$ 6,692</b>	<b>\$ 6,826</b>	<b>\$ 6,963</b>	<b>\$ 7,103</b>	<b>\$ 7,245</b>



*PROGRAM OBJECTIVE: To reduce fraud and to protect public investors involved in securities transactions as well as to facilitate legitimate capital formation in the State.*

## Program: Securities Industry Regulation

The primary function of the Pennsylvania Securities Commission is to encourage the financing of legitimate business and industry in the Commonwealth while protecting the investing public from fraudulent and unfair practices in the securities industry.

The commission protects the investing public through the registration and regulation of salespersons and companies dealing in securities. It also issues cease and desist orders to persons and corporations attempting to sell securities without approval, as well as pursuing prosecution of violators of the Pennsylvania Securities Act.

The commission works with other State, Federal and independent regulatory agencies and the various stock exchanges to develop uniform filing requirements to eliminate duplicative State and Federal examination and registration requirements. The commission is increasing the use of information technology to monitor the offering and sale of securities via electronic means. Fees collected from the securities industry support compliance and enforcement activities, as well as a portion of ongoing operations of the commission.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Dollar amounts of securities cleared for sale (trillions):	\$ 126	\$ 92	\$ 92	\$ 92	\$ 92	\$ 92	\$ 92
Formal investigations conducted	225	279	290	310	320	330	340
Securities filings received	4,800	4,806	5,000	5,000	5,000	5,000	5,000
Securities filings cleared	4,380	4,408	4,400	4,400	4,400	4,400	4,400
Broker-dealers registered	2,406	2,469	2,543	2,698	2,779	2,862	2,948
Agents registered	120,454	132,143	142,714	157,343	165,210	173,470	182,144
Investment advisers registered	1,080	1,151	1,232	1,437	1,551	1,676	1,810
Investment adviser representatives registered	1,942	2,069	2,172	2,395	2,515	2,641	2,773

Dollar amounts of securities cleared for sale decreases from the projections shown in last year's budget due to the Federal National Securities Marketplace Improvement Act which eliminates the need for mutual funds to re-register every year.

The number of formal investigations conducted in 1998-99 decreased from the projections shown in last year's budget due to staff being assigned to more complex, time consuming litigation cases. Investigations are expected to increase in 1999-00 and beyond due to staffing additions.

<b>Program Recommendations:</b>	This budget recommends the following changes: (Dollar Amounts in Thousands)	
<p><b>General Government Operations</b></p> <p>\$ 11 —to continue current program.</p>		

<b>Appropriations within this Program:</b>	(Dollar Amounts in Thousands)						
	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
General Government Operations	\$ 2,074	\$ 2,188	\$ 2,199	\$ 2,243	\$ 2,288	\$ 2,334	\$ 2,381





---

# DEPARTMENT OF STATE

*The mission of the Department of State is to monitor and enforce the standards of ethics and competence in a variety of areas, including professional licensure, corporate law, charitable solicitation, the electoral process and professional boxing and wrestling.*

The Department of State is administered by the Secretary of the Commonwealth and includes the Bureau of Charitable Organizations, the Bureau of Commissions, Elections and Legislation, the Corporation Bureau, the State Athletic Commission, the Bureau of Enforcement and Investigation, and the Bureau of Professional and Occupational Affairs, which provides support to 27 professional and occupational licensing boards.



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
General Government Operations.....	\$ 2,750	\$ 3,122	\$ 4,093
(A)Departmental Services.....	0 <sup>a</sup>	0 <sup>a</sup>	0 <sup>a</sup>
(R)Professional and Occupational Affairs.....	16,544 <sup>b</sup>	17,649 <sup>b</sup>	17,989 <sup>b</sup>
(R)State Board of Medicine.....	2,936 <sup>b</sup>	3,035 <sup>b</sup>	3,182 <sup>b</sup>
(R)State Board of Osteopathic Medicine.....	470 <sup>b</sup>	494 <sup>b</sup>	561 <sup>b</sup>
(R)State Board of Podiatry.....	158 <sup>b</sup>	161 <sup>b</sup>	190 <sup>b</sup>
(R)State Athletic Commission.....	305 <sup>b</sup>	317 <sup>b</sup>	310 <sup>b</sup>
(R)Corporation Bureau (EA).....	3,433 <sup>c</sup>	5,374 <sup>c</sup>	3,473 <sup>c</sup>
Subtotal.....	\$ 26,596	\$ 30,152	\$ 29,798
Voter Registration.....	933	962	951
Publishing Constitutional Amendments (EA).....	1,055	600	600
Electoral College.....	0	0	10
Subtotal - State Funds.....	\$ 4,738	\$ 4,684	\$ 5,654
Subtotal - Restricted Revenues.....	23,846	27,030	25,705
Total - General Government.....	\$ 28,584	\$ 31,714	\$ 31,359
<i>Grants and Subsidies:</i>			
Voting of Citizens in Military Service.....	\$ 8	\$ 8	\$ 20
County Election Expenses (EA).....	97	0	0
Total - Grants and Subsidies.....	\$ 105	\$ 8	\$ 20
STATE FUNDS.....	\$ 4,843	\$ 4,692	\$ 5,674
FEDERAL FUNDS.....	0	0	0
RESTRICTED REVENUES.....	23,846	27,030	25,705
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 28,689</b>	<b>\$ 31,722</b>	<b>\$ 31,379</b>
<b>OTHER FUNDS:</b>			
<b>REAL ESTATE RECOVERY FUND:</b>			
Real Estate Recovery Payments (EA).....	\$ 300	\$ 300	\$ 100
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 4,843	\$ 4,692	\$ 5,674
SPECIAL FUNDS.....	0	0	0
RESTRICTED.....	23,846	27,030	25,705
OTHER FUNDS.....	300	300	100
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 28,989</b>	<b>\$ 32,022</b>	<b>\$ 31,479</b>

<sup>a</sup> Not added to the total to avoid double counting: 1998-99- Actual is \$2,999,000, 1999-00 Available is \$3,422,000, and 2000-01 Budget is \$3,333,000.

<sup>b</sup> Appropriated from a restricted revenue account.

<sup>c</sup> Executive Authorization from a restricted revenue account.





## Program Funding Summary

	(Dollar Amounts in Thousands)						
	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>CONSUMER PROTECTION</b>							
GENERAL FUND.....	\$ 4,843	\$ 4,692	\$ 5,674	\$ 5,765	\$ 5,880	\$ 5,997	\$ 6,139
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	24,146	27,330	25,805	25,161	25,665	26,176	26,701
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 28,989</b>	<b>\$ 32,022</b>	<b>\$ 31,479</b>	<b>\$ 30,926</b>	<b>\$ 31,545</b>	<b>\$ 32,173</b>	<b>\$ 32,840</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 4,843	\$ 4,692	\$ 5,674	\$ 5,765	\$ 5,880	\$ 5,997	\$ 6,139
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	24,146	27,330	25,805	25,161	25,665	26,176	26,701
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 28,989</b>	<b>\$ 32,022</b>	<b>\$ 31,479</b>	<b>\$ 30,926</b>	<b>\$ 31,545</b>	<b>\$ 32,173</b>	<b>\$ 32,840</b>



*PROGRAM OBJECTIVE: To protect the consumer from fraudulent solicitation and unqualified professional and occupational practitioners and establishments.*

## Program: Consumer Protection

The Department of State administers several program elements within the Consumer Protection Program.

### **Program Element: Protection of the Electoral Process**

This program element is directed towards insuring efficiency, honesty and uniformity in the administration of the Election Code. Nomination petitions for Statewide and legislative offices are reviewed for compliance with statutory standards and are processed for inclusion on the ballot. Campaign expense reports are filed and reviewed as required by the Election Code. The public is provided the opportunity to review the reports. The department tabulates, publishes and disseminates statistics for both voter registration and all elections; it also serves as the repository of the maps and descriptions of the Commonwealth's 9,464 election precincts.

The National Voter Registration Act mandated that the states implement a variety of voter registration reforms by January 1, 1995, including integrating 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. Act 25 of 1995, the Pennsylvania Voter Registration Act, puts the Commonwealth in compliance with the Federal mandate.

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 as well as enforcement of the Notary Public Law. 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 authority to regulate and service the various professions.

The department investigates complaints against licensees for legal or ethical violations that may result in disciplinary action by the boards.

Mechanisms utilized in controlling the quality of practitioners include regulating education, experience and degree of technical expertise demonstrated through applications and subsequent written examination and/or demonstrated practical ability. Requirements for continuing

education also serve as a means of meeting the constantly changing developments in the various professions and occupations.

Act 124 of 1978 created a restricted Professional Licensure Augmentation Account (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.

### **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 both profit and nonprofit businesses incorporation filings and submission of Uniform Commercial Code (UCC) filings. There are approximately 2 million corporate entities in the database and the bureau processes approximately 33,600 new corporations annually. It also registers approximately 25,000 trademarks and fictitious names as well as 152,000 UCC filings annually. The primary goals of the Corporation Bureau are to make the registration process as efficient as possible and to enhance public access in order to promote a more favorable business climate within the Commonwealth.

Act 198 of 1990 established a restricted account with funding levels to be executively authorized by the Governor to fund the Corporation Bureau.

The Bureau 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. The major objective of the bureau is to increase the awareness and understanding of the Charitable Solicitations Act among Pennsylvania consumers and charitable organizations.

Act 55 of 1997 will increase the number of charities required to register with the Department of State from 5,600 to about 8,000. The act also established a system of mandatory arbitration to resolve complaints of unfair



**Program: Consumer Protection (continued)**

competition filed by small businesses against charities. 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.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Voter registration transactions.....	1,015,776	1,200,000	1,200,000	1,000,000	900,000	800,000	750,000
Professional licenses and renewals issued....	434,789	425,000	425,000	425,000	425,000	425,000	425,000
Disciplinary actions by boards .....	1,766	1,350	1,400	1,400	1,400	1,400	1,450
Case files closed (BPOA) .....	5,855	5,205	5,205	5,205	5,205	5,205	5,205
Case files opened (BPOA) .....	5,193	5,000	5,100	5,100	5,100	5,100	5,100
Uniform Commercial Code financing statement filings and information requests fulfilled .....	152,000	152,000	152,000	152,000	152,000	152,000	152,000
Charity registrations.....	5,700	7,000	8,000	8,000	8,000	8,000	8,000
Open charities investigations .....	321	310	310	310	310	310	310
Closed charities investigations .....	296	310	310	310	310	310	310
Reviews of fictitious names, business corporations, trademark applications .....	304,000	217,000	217,000	217,000	217,000	217,000	217,000

Voter registration transactions for 1998-99 were less than the amount in last year's budget, due to a sharper decline than expected from the high numbers registered through the Department of Transportation.

Open charity registrations were less than estimated in last year's budget, because most of the organizations soliciting have registered through effective publicity regarding registration requirements.

Reviews of fictitious names, business corporations and trademarks were greater than estimated in last year's budget due to an increased use of temporary employees for processing officer cards.

**Program Recommendations:** This budget recommends the following changes: (Dollar Amounts in Thousands)

<p><b>General Government Operations</b></p> <p>\$ 571 — to continue current program.</p> <p>400 — second year implementation of campaign finance information initiative.</p> <hr/> <p>\$ 971 <i>Appropriation Increase</i></p>	<p><b>State Board of Medicine</b></p> <p>\$ 147 — to continue current program.</p> <p><b>State Board of Osteopathic Medicine</b></p> <p>\$ 67 — to continue current program.</p> <p><b>State Board of Podiatry</b></p> <p>\$ 29 — to continue current program.</p> <p><b>State Athletic Commission</b></p> <p>\$ -7 — nonrecurring operational costs</p> <p><b>Corporation Bureau</b></p> <p>\$ 99 — to continue current program.</p> <p>-2,000 — nonrecurring decennial census of corporations, partnerships, fictitious name registrants and associations of record.</p> <hr/> <p>\$ -1,901 <i>Appropriation Increase</i></p>
<p><b>Voter Registration</b></p> <p>\$ -11 — nonrecurring billings.</p> <p><b>Electoral College</b></p> <p>\$ 10 — to fund election year costs.</p> <p><b>Voting of Citizens in Military Service</b></p> <p>\$ 12 — to fund election year costs.</p>	

Publishing Constitutional Amendments (EA) is recommended at the current year funding level.

In addition this budget recommends the following changes in the Bureau of Professional and Occupational Affairs for the Professional Licensure Augmentation Account (PLAA) as well as for the State Boards of Medicine, Osteopathic Medicine, Podiatry, the State Athletic Commission and the Corporation Bureau.

<p><b>Professional Licensure Augmentation Account</b></p> <p>\$ 340 — to continue current program.</p>	
--	--

Recommendations assume 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)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 2,750	\$ 3,122	\$ 4,093	\$ 4,175	\$ 4,259	\$ 4,344	\$ 4,431
Voter Registration .....	933	962	951	970	989	1,009	1,029
Publishing Constitutional Amendments (EA) .....	1,055	600	600	612	624	636	649
Electoral College .....	0	0	10	0	0	0	10
Voting of Citizens in Military Service.....	8	8	20	8	8	8	20
County Election Expenses (EA).....	97	0	0	0	0	0	0
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 4,843</b>	<b>\$ 4,692</b>	<b>\$ 5,674</b>	<b>\$ 5,765</b>	<b>\$ 5,880</b>	<b>\$ 5,997</b>	<b>\$ 6,139</b>





---

# STATE EMPLOYEES' RETIREMENT SYSTEM

*The mission of the State Employees' Retirement System is to administer the retirement benefits plan for State employees and elected officials in accordance with Pennsylvania statutes; provide effective services to all active and retired members; to accumulate, manage and disburse the retirement fund assets in accordance with fiduciary standards and at a reasonable cost to Commonwealth taxpayers; and to maximize investment return while exercising a "prudent person" investment policy.*

The State Employees' Retirement System is responsible for administering the State Employees' Retirement Fund and the supplemental retirement allowances and cost-of-living increases for annuitants. The system also administers the Commonwealth Deferred Compensation Program.



# State Employees' Retirement System

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99	1999-00	2000-01
	ACTUAL	AVAILABLE	BUDGET
<b>GENERAL FUND:</b>			
<i>Grants and Subsidies:</i>			
National Guard - Employer Contribution.....	\$ 13	\$ 15	\$ 10
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 13</b>	<b>\$ 15</b>	<b>\$ 10</b>
 <b>OTHER FUNDS:</b>			
<b>STATE EMPLOYEES' RETIREMENT FUND:</b>			
State Employees' Retirement Administration.....	\$ 18,386	\$ 20,068	\$ 19,638
Directed Commissions.....	700	1,000	1,000
<b>STATE EMPLOYEES' RETIREMENT FUND TOTAL.....</b>	<b>\$ 19,086</b>	<b>\$ 21,068</b>	<b>\$ 20,638</b>
 <b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 13	\$ 15	\$ 10
SPECIAL FUNDS.....	0	0	0
OTHER FUNDS.....	19,086	21,068	20,638
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 19,099</b>	<b>\$ 21,083</b>	<b>\$ 20,648</b>



# State Employees' Retirement System

## Program Funding Summary

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>STATE EMPLOYEES' RETIREMENT</b>							
GENERAL FUND.....	\$ 13	\$ 15	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	19,086	21,068	20,638	21,051	21,472	21,902	22,340
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 19,099</b>	<b>\$ 21,083</b>	<b>\$ 20,648</b>	<b>\$ 21,061</b>	<b>\$ 21,482</b>	<b>\$ 21,912</b>	<b>\$ 22,350</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 13	\$ 15	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	19,086	21,068	20,638	21,051	21,472	21,902	22,340
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 19,099</b>	<b>\$ 21,083</b>	<b>\$ 20,648</b>	<b>\$ 21,061</b>	<b>\$ 21,482</b>	<b>\$ 21,912</b>	<b>\$ 22,350</b>



# 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 that 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 net assets available for benefits are in excess of \$28 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 contribution rates 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 five 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.

The State Employees' Retirement Board is responsible for the administration of the Commonwealth Deferred Compensation Program that allows Commonwealth employees to defer a portion of their salaries to a retirement savings account. The Deferred Compensation Fund is shown in the Special Funds Appendix.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Benefit payments processed .....	6,892	7,000	7,000	7,000	7,000	7,000	7,000
Average processing time for benefit payments (in days) .....	12	12	12	12	12	12	12
Return on investment (in millions) .....	\$2,788	\$2,186	\$2,306	\$2,574	\$2,714	\$2,852	\$2,987

Return on investment measure decreases in the actual and available years, but increases in the budget and future years from the projections shown in last year's budget due to economic fluctuations and the subsequent effects upon domestic and foreign markets. The expected returns for 2000-01 and beyond are based upon the current world economic situation.

### Program Recommendations: This budget recommends the following changes: (Dollar Amounts in Thousands)

	GENERAL FUND		STATE EMPLOYEES' RETIREMENT FUND
	National Guard - Employer Contribution		State Employees' Retirement Administration
\$	—5		—to continue current program.
	—to continue current program at lower costs due to higher investment earnings.		—nonrecurring project.
		\$	82
			—512
		\$	—430
			<i>Appropriation Decrease</i>





# State Employees' Retirement System

**Program: State Employees' Retirement (continued)**

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
National Guard — Employer Contribution ...	\$ 13	\$ 15	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10
<b>STATE EMPLOYEES' RETIREMENT FUND:</b>							
State Employees' Retirement Administration .....	\$ 18,386	\$ 20,068	\$ 19,638	\$ 20,031	\$ 20,432	\$ 20,841	\$ 21,258





---

# STATE POLICE

*The mission of the State Police is to:*

- *Promote traffic safety, enforce existing statutes, recognize and eliminate traffic hazards and encourage motorists to practice safe driving techniques. Effectively investigate crime and reduce criminal activity. Provide investigative assistance and support services to all law enforcement agencies within the Commonwealth.*
- *Maintain and provide to criminal justice agencies accurate, up-to-date law enforcement information.*
- *Continually elevate the competence level of law enforcement within the Commonwealth.*
- *Provide prompt, competent service in emergency situations.*
- *Ensure personal protection and security for the Governor and other persons designated by proper authority.*
- *Promote public awareness concerning personal responsibility regarding crime reduction and traffic safety practices.*
- *Enforce all other State statutes as directed by proper authority.*

The State Police receive a General Fund appropriation for criminal law enforcement and a Motor License Fund transfer for traffic patrol activities. In 2000-01, the recommended ratio is 32 percent General Fund and 68 percent Motor License Fund. In addition, the State Police receive reimbursements from the Turnpike Commission for turnpike patrol and an appropriation from the State Stores Fund for liquor control enforcement.

---



**PROGRAM REVISION**

**Budgeted Amounts Include the Following Program Revisions:**

Title	Appropriation	2000-01 State Funds (in thousands)
<b>Enhancing Information Technology to Better Serve Pennsylvania</b>		
<b>GENERAL FUND</b>		
	General Government Operations.....	\$ 4,795
	CLEAN System.....	<u>5,651</u>
	Subtotal.....	\$ 10,446
<b>MOTOR LICENSE FUND</b>		
	General Government Operations.....	\$ 10,191
	CLEAN System.....	<u>12,008</u>
	Subtotal.....	\$ 22,199
	Program Revision Subtotal.....	<u><u>\$ 32,645</u></u>

This Program Revision provides resources for base stations and mobile and portable radio equipment for the Statewide Public Safety Radio System and for implementation of the Incident Information Management System. This is part of the \$174.3 million Enhancing Information Technology to Better Serve Pennsylvania Program Revision. Please see the Program Revision following the Executive Direction program in the Executive Offices for additional information on this Program

**Protecting Public Safety Through Enforcement, Prevention and Rehabilitation**

<b>GENERAL FUND</b>		
	General Government Operations.....	\$ 600
<b>MOTOR LICENSE FUND</b>		
	General Government Operations.....	<u>\$ 1,276</u>
	Program Revision Subtotal.....	<u><u>\$ 1,876</u></u>

This Program Revision provides resources for protective gear and equipment for State Police Troopers. This is part of the \$39.1 million Protecting Public Safety Through Enforcement, Prevention and Rehabilitation Program Revision. Please see the Program Revision following the Institutionalization of Offenders program in the Department of Corrections for additional information on this Program Revision.

	<b>Department Total.....</b>	<u><u>\$ 34,521</u></u>
--	------------------------------	-------------------------



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

1998-99 1999-00 2000-01  
ACTUAL AVAILABLE BUDGET

**GENERAL FUND:**

**General Government:**

General Government Operations.....	\$ 124,980	\$ 129,487 <sup>a</sup>	\$ 138,578
(F)Drug Enforcement.....	209	230	230
(F)DCSI - Ballistics.....	0	365	365
(F)DNA Laboratory Improvement.....	116	350	303
(F)Sex Offender Registry.....	0	1,222	1,222
(F)DCSI - Robotic DNA Sampling.....	0	113	113
(F)DCSI - Aerial Surveillance Equipment.....	0	600	0
(F)Central Repository Redesign.....	0	800	800
(F)Program Management.....	11	20	20
(F)Motor Carrier Safety.....	1,184	1,500	1,427
(F)DUI Enforcement.....	600	600	600
(F)Safety Education.....	47	25	25
(F)Interstate Highway Enforcement.....	300	300	300
(F)Sobriety Test Training.....	13	24	24
(F)Construction Zone Patrolling.....	2,500	3,500	3,500
(F)Corridor Safety.....	22	150	150
(F)Criminal Records Server.....	75	0	0
(F)Electronic Photo Imaging.....	647	689	0
(F)Criminal Investigation Computers.....	28	29	0
(F)Wiretap Repository.....	416	54	0
(F)Regulatory Checkpoints.....	189	277	277
(F)Occupant Protection.....	12	0	0
(F)CLEAN Probation Link.....	75	297	297
(F)Computerized Identification.....	195	44	194
(F)Cops-in-Shops.....	47	100	0
(F)Combat Underage Drinking.....	331	360	360
(F)Information System for Lab and Crime Reports.....	0	1,359	1,358
(F)PSP Against Child Exploitation.....	0	0	299
(F)Crime Lab Enhancements.....	0	0	1,800
(F)Bulletproof Vests.....	0	0	1,473
(F)DNA Analysis.....	0	0	163
(F)Marijuana Eradication.....	0	0	100
(A)Turnpike Commission.....	20,864	20,500	21,200
(A)Sale of Automobiles.....	130	0	90
(A)Criminal History Record Checks.....	5,420	4,700	5,500
(A)Training Fees.....	46	39	40
(A)Reimbursement for Services.....	677	470	550
(A)Criminal History Fees - DPW.....	14	100	25
(A)Police Pursuits.....	41	25	40
(A)Bank Alarm Fees.....	0	60	60
(A)Fingerprint Record Checks.....	170	190	175
(A)Registry of Protection.....	108	100	110
(A)Transfer From Motor License Fund.....	0 <sup>b</sup>	0 <sup>b</sup>	0 <sup>b</sup>
(A)Purchasing Card Rebates.....	19	12	20
Subtotal.....	\$ 159,486	\$ 168,691	\$ 181,788
CLEAN System.....	3,911	6,670	10,138
(A)Transfer from Motor License Fund.....	0 <sup>b</sup>	0 <sup>b</sup>	0 <sup>b</sup>
Subtotal.....	\$ 3,911	\$ 6,670	\$ 10,138
Municipal Police Training.....	4,341	4,333	4,368
(A)Transfer From Motor License Fund.....	0 <sup>b</sup>	0 <sup>b</sup>	0 <sup>b</sup>
Subtotal.....	\$ 4,341	\$ 4,333	\$ 4,368
Patrol Vehicles.....	3,414	3,300	2,880
(A)Automobile Sales.....	1,333	1,695	1,500
(A)Transfer From Motor License Fund.....	0 <sup>b</sup>	0 <sup>b</sup>	0 <sup>b</sup>



**Summary by Fund and Appropriation**

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
Subtotal.....	\$ 4,747	\$ 4,995	\$ 4,380
<b>Automated Fingerprint Identification System.....</b>	<b>557</b>	<b>269</b>	<b>529</b>
(F)Criminal History Data.....	1,556	1,968	1,968
(F)DCSI-AFIS Upgrade.....	800	0	0
(F)AFIS Livescan.....	15	0	0
(F)Fingerprint Card Scanner.....	0	320	320
(F)Fingerprint Analysis.....	0	0	630
(A)AFIS Augmentations.....	1,434	0	0
Subtotal.....	\$ 4,362	\$ 2,557	\$ 3,447
<b>Gun Checks.....</b>	<b>0</b>	<b>1,000</b>	<b>2,181</b>
(R)Firearm Records Check.....	1,412	3,500	2,200
<b>Firearms Training Center.....</b>	<b>0</b>	<b>3,000</b>	<b>0</b>
Subtotal.....	\$ 1,412	\$ 7,500	\$ 4,381
Subtotal - State Funds.....	\$ 137,203	\$ 148,059	\$ 158,674
Subtotal - Federal Funds.....	9,388	15,296	18,318
Subtotal - Augmentations.....	30,256	27,891	29,310
Subtotal - Restricted Revenues.....	1,412	3,500	2,200
<b>Total - General Government.....</b>	<b>\$ 178,259</b>	<b>\$ 194,746</b>	<b>\$ 208,502</b>
STATE FUNDS.....	\$ 137,203	\$ 148,059	\$ 158,674
FEDERAL FUNDS.....	9,388	15,296	18,318
AUGMENTATIONS.....	30,256	27,891	29,310
RESTRICTED REVENUES.....	1,412	3,500	2,200
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 178,259</b>	<b>\$ 194,746</b>	<b>\$ 208,502</b>
<b>MOTOR LICENSE FUND:</b>			
<i>General Government:</i>			
General Government Operations.....	\$ 265,242	\$ 275,268	\$ 294,477
CLEAN System.....	7,946	14,340	21,543
Municipal Police Training.....	4,107	4,333	4,368
Patrol Vehicles.....	7,254	7,150	6,120
Subtotal.....	\$ 284,549	\$ 301,091	\$ 326,508
Total - General Government.....	\$ 284,549	\$ 301,091	\$ 326,508
<b>MOTOR LICENSE FUND TOTAL.....</b>	<b>\$ 284,549</b>	<b>\$ 301,091</b>	<b>\$ 326,508</b>
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Seized/Forfeited Property - Federal.....	\$ 182	\$ 300	\$ 300
State Drug Act Forfeiture Funds.....	809	200	200
State Criminal Enforcement Forfeiture Funds.....	63	10	10
Crime Lab User Fees.....	443	200	200
Auto Theft and Arson Fund.....	937	1,173	1,173
Insurance Fraud Prevention.....	234	252	250
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 2,668</b>	<b>\$ 2,135</b>	<b>\$ 2,133</b>
<b>DNA DETECTION FUND:</b>			
DNA Detection of Offenders.....	\$ 22	\$ 82	\$ 85



**Summary by Fund and Appropriation**

	(Dollar Amounts in Thousands)		
	1998-99	1999-00	2000-01
	ACTUAL	AVAILABLE	BUDGET
<b>STATE STORES FUND:</b>			
Liquor Control Enforcement.....	\$ 16,298	\$ 16,881	\$ 17,395
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 137,203	\$ 148,059	\$ 158,674
SPECIAL FUNDS.....	284,549	301,091	326,508
FEDERAL FUNDS.....	9,388	15,296	18,318
AUGMENTATIONS.....	30,256	27,891	29,310
RESTRICTED.....	1,412	3,500	2,200
OTHER FUNDS.....	18,988	19,098	19,613
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 481,796</b>	<b>\$ 514,935</b>	<b>\$ 554,623</b>

<sup>a</sup> Includes \$237,000 executively authorized from State Match for DCSI Subgrants appropriation in the Executive Offices.

<sup>b</sup> Not added to total to avoid double counting. See Motor License Fund section of this summary for dollar amounts.



## Program Funding Summary

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>PUBLIC PROTECTION AND LAW ENFORCEMENT</b>							
GENERAL FUND.....	\$ 137,203	\$ 148,059	\$ 158,674	\$ 162,268	\$ 160,779	\$ 162,794	\$ 166,049
SPECIAL FUNDS.....	284,549	301,091	326,508	333,923	330,539	334,601	341,293
FEDERAL FUNDS.....	9,388	15,296	18,318	18,120	17,880	17,840	17,840
OTHER FUNDS.....	50,656	50,489	51,123	52,146	53,189	54,251	55,336
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 481,796</b>	<b>\$ 514,935</b>	<b>\$ 554,623</b>	<b>\$ 566,457</b>	<b>\$ 562,387</b>	<b>\$ 569,486</b>	<b>\$ 580,518</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 137,203	\$ 148,059	\$ 158,674	\$ 162,268	\$ 160,779	\$ 162,794	\$ 166,049
SPECIAL FUNDS.....	284,549	301,091	326,508	333,923	330,539	334,601	341,293
FEDERAL FUNDS.....	9,388	15,296	18,318	18,120	17,880	17,840	17,840
OTHER FUNDS.....	50,656	50,489	51,123	52,146	53,189	54,251	55,336
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 481,796</b>	<b>\$ 514,935</b>	<b>\$ 554,623</b>	<b>\$ 566,457</b>	<b>\$ 562,387</b>	<b>\$ 569,486</b>	<b>\$ 580,518</b>



*PROGRAM OBJECTIVE: The State Police enforce the law and preserve the peace through detection of crime and apprehension of criminals, patrol of highways, and enforcement of the vehicle and liquor codes.*

## Program: Public Protection and Law Enforcement

### **Program Element: Management**

This program element provides direction and coordination for all line and staff activities of the State Police, including administrative and overhead systems for the operation of various law enforcement programs. This program includes 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. The administrative supervision of motor vehicle safety inspection stations, emissions inspection stations and motor vehicle dealers was transferred to the Department of Transportation on January 1, 1998. State Police continue to administer the school bus and mass transit vehicle inspection function and investigate complaints of improper practices by official inspection stations.

### **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 patrolling and enforcement is 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.

Recently, the State Police have increased emphasis on two special traffic enforcement programs. Operation Centipede targets speeding violators by positioning multiple radar equipped patrol vehicles within a short distance of one another. The Ticket the Aggressive Driver (TAG-D) program focuses on crash reduction through enforcement that concentrates on drivers who display aggressive and dangerous driving behavior.

### **Program Element: Crime Prevention**

Combating crime is not the responsibility of police alone. It requires the active, organized involvement of the public if any significant results are to be realized. The State Police crime prevention mission is to reduce the incidence of crime through citizen involvement and educational crime prevention techniques. This includes programs such as neighborhood crime watch groups, block parents, and crime stoppers.

The State Police also provide assistance to municipalities in suppression of violent crime through the Operation Triggerlock Program. Under this program, the State Police jointly work hand-in-hand with federal and local law enforcement officials to purge violent crime from urban neighborhoods. Community involvement, intelligence gathering, and saturation patrols are essential components of this operation.

### **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: Public Protection and Law Enforcement (continued)

### Program Element: Liquor Control Enforcement

This program enforces the Pennsylvania Liquor Code and related sections of the Crimes Code. Operations include covert and overt investigations, assisting municipal police agencies, conducting routine license investigations, and performing establishment audits and border patrols. The State Police have implemented a high school and

middle school education program to deter minors from using alcoholic beverages. Called "Choices", the program involves a liquor control enforcement officer speaking to school students. During the 1998-99 school year, over 1,000 programs were presented to 70,409 Pennsylvania school students.

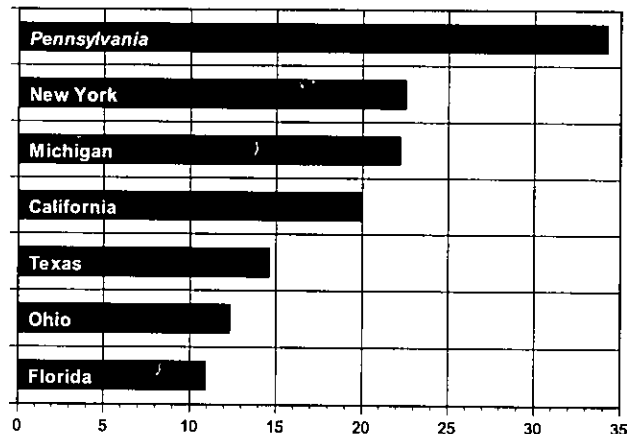
<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Vehicle Standards Control</b>							
School bus and mass transit vehicle inspections .....	26,220	26,000	26,000	26,000	26,000	26,000	26,000
<b>Traffic Supervision</b>							
Accidents per 1,000 miles of highway in Pennsylvania .....	1,282	1,316	1,321	1,326	1,331	1,336	1,341
Accidents per 1,000 miles of highway patrolled by State Police .....	578	607	609	611	613	615	617
Traffic citations issued .....	486,104	465,000	465,000	465,000	465,000	465,000	465,000
<b>Crime Prevention</b>							
Crimes per 100,000 population in State							
Police jurisdiction areas:							
Against persons .....	120	117	117	117	117	117	117
Against property .....	1,120	1,100	1,100	1,100	1,100	1,100	1,100
<b>Criminal Law Enforcement</b>							
Crimes against persons:							
Persons arrested .....	2,156	2,100	2,100	2,100	2,100	2,100	2,100
Clearance rate .....	66%	66%	66%	66%	66%	66%	66%
Percent of those arrested who are convicted .....	55%	57%	58%	58%	58%	58%	58%
Crimes against property:							
Persons arrested .....	10,284	10,250	10,250	10,250	10,250	10,250	10,250
Clearance rate .....	25%	23%	23%	23%	23%	23%	23%
Percent of those arrested who are convicted .....	84%	83%	83%	83%	83%	83%	83%
<b>Liquor Control Enforcement</b>							
Enforcement investigations .....	32,480	36,000	36,000	36,000	36,000	36,000	36,000

The program measures for crime prevention have been restated from last year's budget to reflect lower rates of crime against persons and against property which have been occurring in Pennsylvania.

The clearance rate for crimes against property is higher in 1998-99 than estimated in last year's budget based on actual rates of clearance.

## State Police

Per 100,000 Population

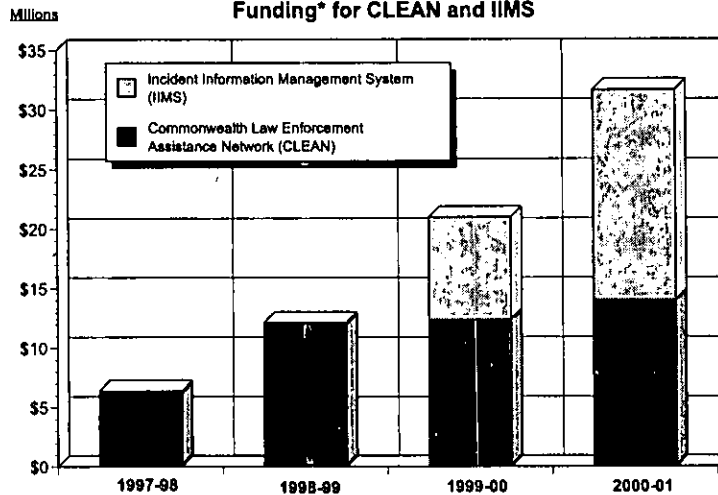


Full-time law enforcement officers as of October 1998.



## Program: Public Protection and Law Enforcement (continued)

### State Police Information Technology Funding\* for CLEAN and IIMS



\* Includes General Fund and Motor License Fund

Funding for State Police Information Technology is projected to increase from \$6.4 million in 1997-98 to \$31.7 million recommended for 2000-01, an increase of 396%.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND AND MOTOR LICENSE FUND COMBINED			
<b>General Government Operations</b>			
\$ 14,986	— PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides resources for base stations and mobile and portable radio equipment for agency participation in the Statewide Public Safety Radio System. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.		
		—6,988	technology to establish an Incident Information Management System. See the Program Revision following the Executive Direction Program in the Executive Offices for additional information.
		\$ 10,671	— nonrecurring equipment purchases.
			<i>Appropriation Increase</i>
1,876	— PRR — Protecting Public Safety Through Enforcement, Prevention and Rehabilitation. This Program Revision provides for bullet proof vests, helmets, rifles, and protective suits for State Police Troopers. See the Program Revision following the Institutionalization of Offenders program in the Department of Corrections for additional information.	\$ 9,000	<b>Municipal Police Training</b>
		—10,450	— to continue current program.
		\$ -1,450	<b>Patrol Vehicles</b>
			— to replace approximately 510 patrol vehicles.
			— nonrecurring 1999-2000 cost of vehicle replacements.
			<i>Appropriation Decrease</i>
335	— Initiative — Forensic Laboratory. To provide administrative support to address an increasing number of samples being submitted to State Police crime labs for analysis.	\$ 260	<b>Automated Fingerprint Identification System</b>
			— to continue current program.
8,318	— to continue current operations including the training of State Police cadets in order to maintain the number of enlisted personnel close to the maximum authorized level.	\$ 1,181	<b>Gun Checks</b>
			— to supplement the Firearm Records Check Fund.
2,785	— to replace or upgrade equipment used for criminal investigations and law enforcement.	\$ -3,000	<b>Firearms Training Center</b>
			— nonrecurring item.
\$ 28,300	<i>Appropriation Increase</i>	\$ 374	<b>STATE STORES FUND</b>
		48	<b>Liquor Control Enforcement</b>
		92	— to replace high mileage vehicles.
			— for additional Liquor Enforcement Officers.
\$ 17,659	<b>CLEAN System</b>	\$ 514	— to continue current program.
	— PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides technical and administrative support and information		<i>Appropriation Increase</i>



Includes PRIME recommendation to refurbish some older patrol vehicles rather than purchasing new patrol cars. The savings from refurbishing the first 15 cars was \$126,949. An additional 50 cars will be completed by the end of 1999-00 for an additional savings of \$425,000.

## Program: Public Protection and Law Enforcement (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 124,980	\$ 129,487	\$ 138,578	\$ 141,769	\$ 139,869	\$ 141,466	\$ 144,295
CLEAN System .....	3,911	6,670	10,138	10,341	10,548	10,759	10,974
Municipal Police Training .....	4,341	4,333	4,368	4,455	4,544	4,635	4,728
Patrol Vehicles .....	3,414	3,300	2,880	2,938	2,997	3,057	3,118
Automated Fingerprint Identification System .....	557	269	529	540	551	562	573
Gun Checks .....	0	1,000	2,181	2,225	2,270	2,315	2,361
Firearms Training Center .....	0	3,000	0	0	0	0	0
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 137,203</b>	<b>\$ 148,059</b>	<b>\$ 158,674</b>	<b>\$ 162,268</b>	<b>\$ 160,779</b>	<b>\$ 162,794</b>	<b>\$ 166,049</b>
<b>MOTOR LICENSE FUND:</b>							
General Government Operations .....	\$ 265,242	\$ 275,268	\$ 294,477	\$ 301,252	\$ 297,215	\$ 300,611	\$ 306,623
CLEAN System .....	7,946	14,340	21,543	21,974	22,413	22,861	23,318
Municipal Police Training .....	4,107	4,333	4,368	4,455	4,544	4,635	4,728
Patrol Vehicles .....	7,254	7,150	6,120	6,242	6,367	6,494	6,624
<b>TOTAL MOTOR LICENSE FUND .....</b>	<b>\$ 284,549</b>	<b>\$ 301,091</b>	<b>\$ 326,508</b>	<b>\$ 333,923</b>	<b>\$ 330,539</b>	<b>\$ 334,601</b>	<b>\$ 341,293</b>
<b>STATE STORES FUND:</b>							
Liquor Control Enforcement .....	\$ 16,298	\$ 16,881	\$ 17,395	\$ 17,743	\$ 18,098	\$ 18,460	\$ 18,829





---

# TAX EQUALIZATION BOARD

*The mission of the State Tax Equalization Board is to provide an effective administrative system to assess taxable real property value which is the basis for an equitable distribution of tax funds to support education services.*



# Tax Equalization Board

## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99	1999-00	2000-01
	ACTUAL	AVAILABLE	BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
General Government Operations.....	\$ 1,277	\$ 1,319	\$ 1,349
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 1,277</b>	<b>\$ 1,319</b>	<b>\$ 1,349</b>



## Program Funding Summary

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>EDUCATION SUPPORT SERVICES</b>							
GENERAL FUND.....	\$ 1,277	\$ 1,319	\$ 1,349	\$ 1,376	\$ 1,404	\$ 1,432	\$ 1,461
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
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 1,277</b>	<b>\$ 1,319</b>	<b>\$ 1,349</b>	<b>\$ 1,376</b>	<b>\$ 1,404</b>	<b>\$ 1,432</b>	<b>\$ 1,461</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 1,277	\$ 1,319	\$ 1,349	\$ 1,376	\$ 1,404	\$ 1,432	\$ 1,461
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
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 1,277</b>	<b>\$ 1,319</b>	<b>\$ 1,349</b>	<b>\$ 1,376</b>	<b>\$ 1,404</b>	<b>\$ 1,432</b>	<b>\$ 1,461</b>



*PROGRAM OBJECTIVE: To provide an effective administrative system to assess taxable real property value which is the basis for an equitable distribution of tax funds to support education services.*

## Program: Education Support Services

The Tax Equalization Board is an independent administrative board created to ensure equitable distribution of tax funds among the State's school districts. The board, in accordance with Act 147 of 1947, determines annually the aggregate market value of taxable real property in each of the more than 2,500 municipalities and 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.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 30      **General Government Operations**  
                     —to continue current program.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
General Government Operations .....	\$ 1,277	\$ 1,319	\$ 1,349	\$ 1,376	\$ 1,4004	\$ 1,432	\$ 1,461





---

# DEPARTMENT OF TRANSPORTATION

*The mission of the Department of Transportation is to provide, through the active involvement of customers, employees and partners, an intermodal transportation system and services that exceed the expectation of those who use them.*





**PROGRAM REVISION**

**Budgeted Amounts Include the Following Program Revision:**

Title	Appropriation	2000-01 State Funds (in thousands)
Enhancing Information Technology to Better Serve Pennsylvania		

**MOTOR LICENSE FUND**

Highway Maintenance.....	\$	8,017
--------------------------	----	-------

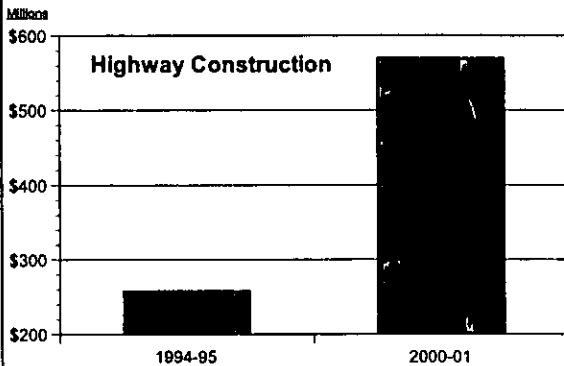
This Program Revision provides resources for base stations and mobile and portable radio equipment for the Statewide Public Safety Radio System. This is part of the \$174.3 million Enhancing Information Technology to Better Serve Pennsylvania Program Revision. Please see the Program Revision following the Executive Direction program in the Executive Offices for additional information on this Program Revision.

Department Total.....	\$	<u>8,017</u>
-----------------------	----	--------------



## State Funding for Transportation

### Construction and Maintenance Projects



#### HIGHWAY CONSTRUCTION

Total State expenditures for highway construction and bridges are anticipated to increase by over \$303 million, or 118%, from fiscal year 1994-95 to 2000-01. In addition, it is estimated that over \$738 million in Federal funds will also be available in 2000-01, bringing the total for Highway Construction to nearly \$1.3 billion.

This has allowed the Department of Transportation to dedicate additional resources to new road projects on the State road system which will not only improve traffic flow and safety, but will have far reaching economic benefits. The number of miles of new highway construction is planned to increase over 38% from 1994-95 to 2000-01.

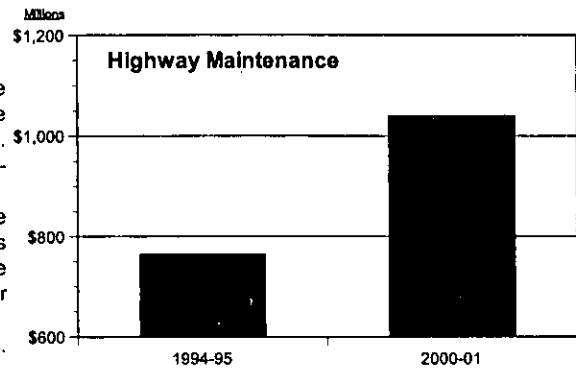
Projects such as the widening of US 202 in Montgomery County, improvements to the Blairsville interchange in Indiana County and the relocation of US 22/322 in Dauphin County are now able to be advanced to the final design and project award stages.

#### HIGHWAY MAINTENANCE

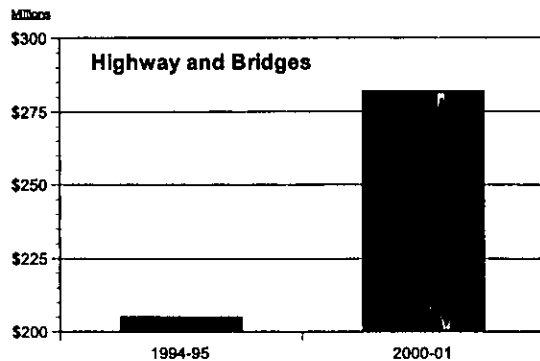
Increases of over \$277 million, or 36%, from 1994-95 to 2000-01 and planned State expenditures for 2000-01 that will exceed \$1 billion will enable the Department to upgrade its maintenance program on the 40 thousand miles of highway maintained by the State. In addition, it is estimated that \$188 million in Federal funds will also be available in 2000-01, bringing the total for Highway Maintenance to over \$1.2 billion.

While patching and other surface repairs are still an important part of the maintenance program, more emphasis is being placed on better riding and longer lasting improvements such as resurfacing and structural restoration. For example, the number of miles of State maintained highways scheduled for structural restoration is planned to increase over 70% from 1994-95 to 2000-01.

These actions will facilitate the flow of traffic for drivers on Pennsylvania's highways.



### Local Highway and Transit Assistance



#### LOCAL HIGHWAY AND BRIDGES

Locally administered highways in the Commonwealth total over seventy-five thousand miles. This represents over 65% of all highways in Pennsylvania. In addition there are over six thousand local bridges greater than 20 feet in length.

Total State spending has increased the amount of State grants available for Pennsylvania's municipalities from \$205 million in 1994-95 to a recommended \$280 million in 2000-01, an increase of over 36%.

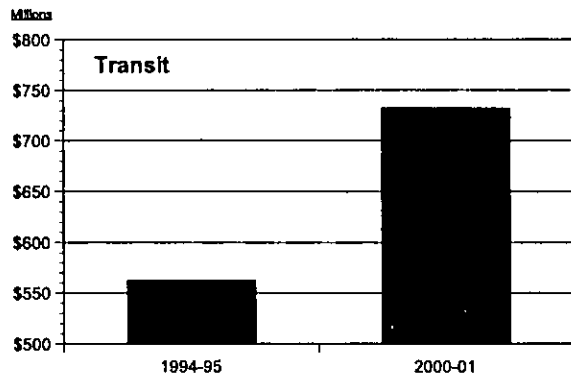
This will enable our local governments to increase the number of bridges brought up to standard and miles of local highways improved by over 229 miles, or an increase of over 15%.

#### MASS AND RURAL TRANSIT

State funding for transit, including capital and Older Pennsylvanians Free Transit Lottery funds has increased by \$170 million, or over 30%, from 1994-95 to 2000-01 recommended amounts. This money will be used for various new capital projects, operations and asset maintenance.

Increase in funding has enabled transit entities to utilize their full fleet of buses, restore previously discontinued service and add new bus routes.

Capital and maintenance funding provided by the State has enabled the transit entities to construct and modernize facilities, build park and ride facilities, upgrade communications equipment and maintain and replace vehicles. This has contributed to more convenient and comfortable transit trips for traveling Pennsylvanians.



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
Transit and Rail Freight Operations.....	\$ 1,715	\$ 1,926	\$ 1,985
(F)FTA - Technical Studies Grants.....	2,277	2,908	2,934
(F)Capital Assistance.....	92	129	131
(F)Surface Transportation Assistance.....	636	828	888
(F)FTA - Capital Improvement Grants.....	3,670	5,400	4,000
(F)Title IV Rail Assistance.....	1	41	43
(R)Project Management Oversight - PTAF (EA).....	356	1,000	1,000
(A)Local Contribution - Rail Freight.....	22	25	25
(A)PTAF - Oversight.....	0 <sup>a</sup>	0 <sup>a</sup>	0 <sup>a</sup>
Rail Safety Inspection.....	419	429	442
Vehicle Sales Tax Collections.....	1,810	1,855	1,911
Welcome Centers.....	1,688	1,975	2,255
Relocation of Transportation and Safety Operations.....	169	172	174
Voter Registration.....	642	932	960
Organ Donor Operations.....	0	0	100
Subtotal - State Funds.....	\$ 6,443	\$ 7,289	\$ 7,827
Subtotal - Federal Funds.....	6,676	9,306	7,996
Subtotal - Augmentations.....	22	25	25
Subtotal - Restricted Revenues.....	356	1,000	1,000
Total - General Government.....	\$ 13,497	\$ 17,620	\$ 16,848
<i>Grants and Subsidies:</i>			
Mass Transportation Assistance.....	\$ 254,663	\$ 262,048	\$ 269,909
Rural Transportation Assistance.....	1,774	2,000	2,000
(F)TANFBG - Rural Transportation.....	56	0	0
(F)TANFBG - Access to Jobs.....	0	5,033	10,000
(F)TEA 21 - Access to Jobs.....	0	1,333	2,000
Fixed Route Transit.....	11,868	25,090	25,090
Intercity Transportation.....	1,945	2,094	2,139
(F)Surface Transportation - Operating.....	5,434	7,000	9,000
(F)Surface Transportation Assistance Capital.....	160	4,000	4,000
(F)FTA - Capital Improvements.....	177	10,000	27,000
(F)FTA - Intelligent Vehicles - Public Transit.....	0	3,850	3,850
(F)FTA - Intelligent Transit System Deployment.....	0	0	20,000
(R)Technical Assistance - PTAF (EA).....	3,771	4,503	1,463
(R)Community Transportation Equipment Grants - PTAF (EA).....	2,984	2,859	2,300
(R)Mass Transit Grants (EA).....	69,000	69,000	69,000
(R)Rural Transit Grants (EA).....	4,800	4,800	4,800
(R)Community Transportation (EA).....	1,200	1,461	1,200
Rail Freight Assistance.....	8,500	8,500	8,500
(A)Reimbursement - Rail Freight Assistance.....	0	200	200
DUI Equipment Grants.....	2,386	0	0
Subtotal - State Funds.....	\$ 281,136	\$ 299,732	\$ 307,638
Subtotal - Federal Funds.....	5,827	31,216	75,850
Subtotal - Augmentations.....	0	200	200
Subtotal - Restricted Revenues.....	81,755	82,623	78,763
Total - Grants and Subsidies.....	\$ 368,718	\$ 413,771	\$ 462,451



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99	1999-00	2000-01
	ACTUAL	AVAILABLE	BUDGET
STATE FUNDS.....	\$ 287,579	\$ 307,021	\$ 315,465
FEDERAL FUNDS.....	12,503	40,522	83,846
AUGMENTATIONS.....	22	225	225
RESTRICTED REVENUES.....	82,111	83,623	79,763
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 382,215</b>	<b>\$ 431,391</b>	<b>\$ 479,299</b>
 <b>MOTOR LICENSE FUND:</b>			
<i>General Government:</i>			
General Government Operations.....	\$ 28,883	\$ 31,224	\$ 35,954
Highway Systems Technology.....	27,275	26,000	34,735
Refunding Collected Monies (EA).....	4,437	4,500	4,500
Relocation of Transportation and Safety Operations.....	8,877	5,752	3,589
(F)Reimbursement - General Government.....	11	7	10
(A)Reimbursement - Other Agencies.....	423	178	181
(A)Mass Transportation.....	111	78	115
(A)Duplicating Services.....	102	66	114
(A)Aviation Restricted Revenue.....	111	170	101
(A)Administrative Hearings.....	40	33	43
(A)Intern Program - PHEAA Reimbursement.....	49	55	55
(A)Reimbursement - Postage.....	20	0	30
Subtotal.....	\$ 70,339	\$ 68,063	\$ 79,427
Highway and Safety Improvements.....	179,600	175,000	175,000
Security Wall Pilot Program.....	17,000	20,000	10,000
Highway Capital Projects (EA).....	179,600	192,800	203,900
Metric Conversion.....	1,000	0	0
(F)Highway Research, Planning and Construction.....	526,940	602,723	602,933
(F)Highway Safety Program.....	88	100	100
(A)Highway Construction Contributions.....	9,458	5,350	5,000
(A)Reimbursements - Accident Damage Claims.....	8	0	0
(A)Intern Program - PHEAA Reimbursement.....	110	0	0
(R)Highway Capital Projects - Excise Tax (EA).....	53,735	51,052	51,457
(R)Highway Bridge Projects (EA).....	34,787	80,000	80,000
(R)Bridges - Excise Tax (EA).....	40,000	39,011	40,999
(F)Federal Aid - Highway Bridge Projects.....	115,107	125,000	135,000
(F)Federal Disaster Reimbursement - FHWA.....	63	0	0
(A)Bridge Construction Contributions.....	1,219	1,800	1,800
(A)Bridge Reimbursement from Local Governments.....	42	200	200
Subtotal.....	\$ 1,158,757	\$ 1,293,036	\$ 1,306,389
Highway Maintenance.....	609,932	621,406	639,000
Secondary Roads - Maintenance and Resurfacing (EA).....	61,165	59,974	61,870
Preventive Maintenance.....	50,000	0	0
Highway Maintenance Safety Projects.....	0	45,000	15,000
Reinvestment - Facilities.....	7,155	6,140	6,140
(F)Highway Research, Planning and Construction.....	124,852	180,000	185,000
(F)State and Community Highway Safety.....	1,799	3,000	3,000
(F)Federal Disaster Reimbursement - DEP.....	3,016	5,000	0
(F)Federal Disaster Reimbursement - FHWA.....	2,308	0	0
(R)Highway Maintenance - Excise Tax (EA).....	129,463	127,186	131,306
(R)Highway Maintenance Enhancement (EA).....	105,725	127,027	147,717
(R)Highway Betterment (EA).....	93,821	99,064	45,612
(A)Highway Maintenance Contributions.....	6,022	9,080	9,680
(A)Sale of Automobiles.....	67	300	300
(A)Sale of Gas, Oil and Antifreeze.....	20	500	200
(A)Sale of Equipment.....	1,998	3,000	3,000
(A)Heavy Hauling - Bonded Roads.....	397	600	600
(A)Sale of Signs.....	120	200	200
(A)Accident Damage Claims.....	3,518	5,000	5,000



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99	1999-00	2000-01
	ACTUAL	AVAILABLE	BUDGET
(A)Litter Fine Receipts.....	9	9	9
(A)Recovered Permit Compliance Cost.....	0	11	11
(A)Intern Program - PHEAA Reimbursement.....	110	0	200
(A)Reimbursement - Maintenance of Drivers Exam Sites.....	0 <sup>b</sup>	0 <sup>b</sup>	0 <sup>b</sup>
(A)Reimbursement - Superpave Projects.....	0 <sup>c</sup>	0 <sup>c</sup>	0 <sup>c</sup>
Subtotal.....	\$ 1,201,497	\$ 1,292,497	\$ 1,253,845
<b>Safety Administration and Licensing.....</b>	<b>93,528</b>	<b>99,945</b>	<b>107,517</b>
<b>Enhanced Titling and Registration.....</b>	<b>1,400</b>	<b>10,100</b>	<b>13,400</b>
(F)State and Community Highway Safety.....	34	115	615
(F)Reimbursement - Drivers License Suspension/Denial.....	0	88	88
(F)Reimbursement - Advertising Emission Inspection.....	0	750	750
(F)Congestion Mitigation Air Quality.....	0	1,000	1,000
(A)Administrative Support.....	125	100	100
(A)Computer Support.....	369	300	300
(A)Photo ID Program.....	10,553	10,600	10,600
(A)Vehicle Sales Tax Collections.....	0 <sup>d</sup>	0 <sup>d</sup>	0 <sup>d</sup>
(A)Emission Mechanic Training Courses.....	0	10	10
(A)Reimbursement - Special Plates Administrative Costs.....	12	175	175
(A)Reimbursement - Advertising Emission Inspection.....	154	0	0
(A)Reimbursement - Data Line Charges.....	305	350	350
(A)Reimbursement - Organ Donor Program.....	0 <sup>e</sup>	0 <sup>e</sup>	0 <sup>e</sup>
Subtotal.....	\$ 106,480	\$ 123,533	\$ 134,905
(R)Aviation Operations.....	3,525 <sup>f</sup>	4,671 <sup>f</sup>	5,071 <sup>f</sup>
(F)Aviation Planning.....	26	11	16
(F)Reimbursement - Statewide Program.....	0	774	1,101
(F)Airport Inspections.....	22	6	6
(F)Federal Aid - Other State Airports.....	21	3	0
(A)Flight Operations.....	491	790	800
(A)Airport Inspections and Licensing.....	12	5	5
(A)General Fund Reimbursement.....	33	0	0
(A)Reimbursement - Statewide Program.....	51	10	36
(A)Reimbursement - Flight Services.....	0 <sup>g</sup>	0 <sup>g</sup>	0 <sup>g</sup>
(A)Airport Improvement Program - Other State Airports.....	6	0	0
(A)Reimbursement - Other State Airports.....	1	0	0
Subtotal.....	\$ 4,188	\$ 6,270	\$ 7,035
Subtotal - State Funds.....	\$ 1,269,852	\$ 1,297,841	\$ 1,310,605
Subtotal - Federal Funds.....	774,287	918,577	929,619
Subtotal - Augmentations.....	36,066	38,970	39,215
Subtotal - Restricted Revenues.....	461,056	528,011	502,162
Total - General Government.....	\$ 2,541,261	\$ 2,783,399	\$ 2,781,601
<b>Grants and Subsidies:</b>			
Local Road Maintenance and Construction Payments.....	\$ 181,173	\$ 174,992	\$ 179,302
Supplemental Local Road Maintenance and Construction Payment.....	5,000	5,000	5,000
Payment to Turnpike Commission (EA).....	28,000	28,000	28,000
(R)Local Road Payments - Excise Tax (EA).....	37,111	36,499	37,133
(R)Payments to Municipalities (EA).....	25,293	26,661	25,653
(R)Local Grants For Bridge Projects (EA).....	7,516	20,000	25,000
(R)County Bridges - Excise Tax (EA).....	3,424	7,278	7,554
(F)Federal Aid - Local Grants for Bridge Projects.....	778	800	800
(F)Federal Aid - County Bridges.....	49	200	200
(A)Local Governments.....	23	200	200
(R)Toll Roads - Excise Tax (EA).....	42,759	41,275	44,379
(R)Annual Maintenance Payments - Highway Transfer (EA).....	10,369	10,600	10,875
(R)Restoration Projects - Highway Transfer (EA).....	5,584	7,179	6,908
(R)Airport Development.....	6,136 <sup>f</sup>	7,500 <sup>f</sup>	7,500 <sup>f</sup>
(F)Federal Reimbursement - Airport Development.....	811	9,500	9,500



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
(R)Real Estate Tax Rebate.....	246 <sup>f</sup>	250 <sup>r</sup>	250 <sup>r</sup>
Subtotal.....	\$ 354,272	\$ 375,934	\$ 388,254
Subtotal - State Funds.....	\$ 214,173	\$ 207,992	\$ 212,302
Subtotal - Federal Funds.....	1,638	10,500	10,500
Subtotal - Augmentations.....	23	200	200
Subtotal - Restricted Revenues.....	138,438	157,242	165,252
Total - Grants and Subsidies.....	\$ 354,272	\$ 375,934	\$ 388,254
STATE FUNDS.....	\$ 1,484,025	\$ 1,505,833	\$ 1,522,907
FEDERAL FUNDS.....	775,925	929,077	940,119
AUGMENTATIONS.....	36,089	39,170	39,415
RESTRICTED REVENUES.....	599,494	685,253	667,414
<b>MOTOR LICENSE FUND TOTAL.....</b>	<b>\$ 2,895,533</b>	<b>\$ 3,159,333</b>	<b>\$ 3,169,855</b>
<b>LOTTERY FUND:</b>			
<i>Grants and Subsidies:</i>			
Older Pennsylvanians Shared Rides (EA).....	\$ 58,389	\$ 63,126	\$ 64,348
Older Pennsylvanians Free Transit (EA).....	45,258	57,000	54,000
Total - Grants and Subsidies.....	\$ 103,647	\$ 120,126	\$ 118,348
<b>LOTTERY FUND TOTAL.....</b>	<b>\$ 103,647</b>	<b>\$ 120,126</b>	<b>\$ 118,348</b>
<b>OTHER FUNDS:</b>			
<b>GENERAL FUND:</b>			
Federal Grants - Railroad Freight Rehabilitation.....	\$ 134	\$ 500	\$ 500
Emission Inspection Settlement.....	55,134	0	0
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 55,268</b>	<b>\$ 500</b>	<b>\$ 500</b>
<b>MOTOR LICENSE FUND:</b>			
Federal Reimbursements - Highway Safety Program.....	\$ 5,756	\$ 6,100	\$ 6,500
Reimbursements to Municipalities - Vehicle Code Fines.....	12,806	15,000	15,000
Federal Reimbursements - Flood Related Costs.....	3,016	1,000	2,000
Reimbursements to Other States-Apportioned Registration Plan.....	5,473	30,000	10,000
Federal Reimbursements - Bridge Projects.....	25,173	27,000	28,000
Federal Reimbursement - Delisting HIA.....	30	0	0
Motorcycle Safety Education.....	3,155	3,000	3,000
Equipment Rental Security Deposits.....	0	100	100
Payments to Blind/Visually Handicapped.....	1,570	1,600	1,600
Federal Reimbursements - Political Subdivisions.....	46,442	33,000	45,000
License and Registration Pickups.....	0	25	25
Engineering Software Maintenance.....	0	205	178
<b>MOTOR LICENSE FUND TOTAL.....</b>	<b>\$ 103,421</b>	<b>\$ 117,030</b>	<b>\$ 111,403</b>
<b>HIGHWAY BEAUTIFICATION FUND:</b>			
Control of Junkyards (EA).....	\$ 0	\$ 15	\$ 15
Control of Outdoor Advertising (EA).....	304	700	700
<b>HIGHWAY BEAUTIFICATION FUND TOTAL.....</b>	<b>\$ 304</b>	<b>\$ 715</b>	<b>\$ 715</b>
<b>INFRASTRUCTURE BANK FUND:</b>			
Infrastructure Bank Loans (EA).....	\$ 392	\$ 11,080	\$ 10,000



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
<b>LIQUID FUELS TAX FUND:</b>			
Payments to Counties.....	\$ 31,267	\$ 30,249	\$ 30,714
Auditor General's Audit Costs.....	0	500	500
<b>LIQUID FUELS TAX FUND TOTAL.....</b>	<b>\$ 31,267</b>	<b>\$ 30,749</b>	<b>\$ 31,214</b>
<b>MOTOR VEHICLE TRANSACTION RECOVERY FUND:</b>			
Reimbursement to Transportation.....	\$ 62	\$ 200	\$ 204
<b>ORGAN DONATION AWARENESS TRUST FUND:</b>			
Reimbursement to Transportation (EA).....	\$ 0	\$ 539	\$ 0
<b>PUBLIC TRANSPORTATION ASSISTANCE FUND:</b>			
Transfer to General Fund (EA).....	\$ 0 <sup>h</sup>	\$ 0 <sup>h</sup>	\$ 0 <sup>h</sup>
Mass Transit Grants (EA).....	181,725	163,969	175,351
Rural Transit Grants (EA).....	5,152	4,640	4,969
<b>PUBLIC TRANSPORTATION ASSISTANCE FUND TOTAL.....</b>	<b>\$ 186,877</b>	<b>\$ 168,609</b>	<b>\$ 180,320</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>			
GENERAL FUND.....	\$ 287,579	\$ 307,021	\$ 315,465
SPECIAL FUNDS.....	1,587,672	1,625,959	1,641,255
FEDERAL FUNDS.....	788,428	969,599	1,023,965
AUGMENTATIONS.....	36,111	39,395	39,640
RESTRICTED.....	681,605	768,876	747,177
OTHER FUNDS.....	377,591	329,422	334,356
<b>TOTAL ALL FUNDS.....</b>	<b>\$ 3,758,986</b>	<b>\$ 4,040,272</b>	<b>\$ 4,101,858</b>

- <sup>a</sup> Not added to the total to avoid double counting: 1998-99 Actual is \$9,000, 1999-00 Available is \$10,000, and 2000-01 Budget is \$10,000.
- <sup>b</sup> Not added to the total to avoid double counting: 1998-99 Actual is \$2,000, 1999-00 Available is \$500,000, and 2000-01 Budget is \$100,000.
- <sup>c</sup> Not added to the total to avoid double counting: 1998-99 Actual is \$0, 1999-00 Available is \$200,000, and 2000-01 Budget is \$200,000.
- <sup>d</sup> Not added to the total to avoid double counting: 1998-99 Actual is \$1,845,000, 1999-00 Available is \$1,855,000, and 2000-01 Budget is \$1,911,000.
- <sup>e</sup> Not added to the total to avoid double counting: 1998-99 Actual is \$0, 1999-00 Available is \$0, and 2000-01 Budget is \$100,000.
- <sup>f</sup> Appropriated from a restricted revenue account.
- <sup>g</sup> Not added to the total to avoid double counting: 1998-99 Actual is \$0, 1999-00 Available is \$600,000, and 2000-01 Budget is \$600,000.
- <sup>h</sup> Not added to the total to avoid double counting: 1998-99 Actual is \$4,779,000, 1999-00 Available is \$4,803,000, and 2000-01 Budget is \$4,763,000.



Program Funding Summary

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>TRANSPORTATION SUPPORT SERVICES</b>							
GENERAL FUND.....	\$ 1,884	\$ 2,098	\$ 2,159	\$ 2,025	\$ 2,066	\$ 2,107	\$ 2,149
SPECIAL FUNDS.....	69,472	67,476	78,778	63,473	55,937	55,533	56,662
FEDERAL FUNDS.....	6,687	9,313	8,006	8,006	8,006	8,006	8,006
OTHER FUNDS.....	1,212	1,580	1,639	1,467	1,476	1,485	1,494
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 79,255</b>	<b>\$ 80,467</b>	<b>\$ 90,582</b>	<b>\$ 74,971</b>	<b>\$ 67,485</b>	<b>\$ 67,131</b>	<b>\$ 68,311</b>
<b>STATE HIGHWAY AND BRIDGE CONSTRUCTION/RECONSTRUCTION</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	405,200	415,800	416,900	404,400	407,000	399,600	402,200
FEDERAL FUNDS.....	642,198	727,823	738,033	735,208	727,121	729,355	736,728
OTHER FUNDS.....	148,570	197,777	200,229	190,662	181,167	171,579	168,904
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 1,195,968</b>	<b>\$ 1,341,400</b>	<b>\$ 1,355,162</b>	<b>\$ 1,330,270</b>	<b>\$ 1,315,288</b>	<b>\$ 1,300,534</b>	<b>\$ 1,307,832</b>
<b>STATE HIGHWAY AND BRIDGE MAINTENANCE</b>							
GENERAL FUND.....	\$ 1,688	\$ 1,975	\$ 2,255	\$ 1,994	\$ 2,034	\$ 2,075	\$ 2,117
SPECIAL FUNDS.....	728,252	732,520	722,010	708,195	754,325	778,777	800,367
FEDERAL FUNDS.....	131,975	188,000	188,000	193,050	193,100	193,150	193,200
OTHER FUNDS.....	385,856	413,688	388,534	384,274	385,402	387,149	388,793
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 1,247,771</b>	<b>\$ 1,336,183</b>	<b>\$ 1,300,799</b>	<b>\$ 1,287,513</b>	<b>\$ 1,334,861</b>	<b>\$ 1,361,151</b>	<b>\$ 1,384,477</b>
<b>LOCAL HIGHWAY AND BRIDGE ASSISTANCE</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	186,173	179,992	184,302	184,263	184,898	185,533	186,180
FEDERAL FUNDS.....	827	1,000	1,000	1,000	1,000	1,000	1,000
OTHER FUNDS.....	205,008	214,166	232,537	224,978	227,572	230,198	229,797
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 392,008</b>	<b>\$ 395,158</b>	<b>\$ 417,839</b>	<b>\$ 410,241</b>	<b>\$ 413,470</b>	<b>\$ 416,731</b>	<b>\$ 416,977</b>
<b>MASS TRANSPORTATION</b>							
GENERAL FUND.....	\$ 256,856	\$ 264,477	\$ 272,351	\$ 272,360	\$ 272,369	\$ 272,378	\$ 272,387
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	56	6,366	12,000	12,000	12,000	12,000	12,000
OTHER FUNDS.....	255,877	237,609	249,320	256,342	264,649	273,256	282,883
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 512,789</b>	<b>\$ 508,452</b>	<b>\$ 533,671</b>	<b>\$ 540,702</b>	<b>\$ 549,018</b>	<b>\$ 557,634</b>	<b>\$ 567,270</b>
<b>INTERCITY TRANSPORTATION</b>							
GENERAL FUND.....	\$ 10,445	\$ 10,594	\$ 10,639	\$ 10,639	\$ 10,639	\$ 10,639	\$ 10,639
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	5,771	24,850	63,850	43,850	43,850	43,850	43,850
OTHER FUNDS.....	8,727	10,028	6,988	7,007	7,029	7,051	7,074
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 24,943</b>	<b>\$ 45,472</b>	<b>\$ 81,477</b>	<b>\$ 61,496</b>	<b>\$ 61,518</b>	<b>\$ 61,540</b>	<b>\$ 61,563</b>





## Program Funding Summary

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>AIR TRANSPORTATION</b>							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	880	10,294	10,623	10,159	10,159	10,159	10,159
OTHER FUNDS.....	10,531	13,226	13,662	13,778	13,895	14,013	14,151
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 11,411</b>	<b>\$ 23,520</b>	<b>\$ 24,285</b>	<b>\$ 23,937</b>	<b>\$ 24,054</b>	<b>\$ 24,172</b>	<b>\$ 24,310</b>
<b>SAFETY ADMINISTRATION AND LICENSING</b>							
GENERAL FUND.....	\$ 4,838	\$ 2,787	\$ 2,971	\$ 3,030	\$ 3,091	\$ 3,153	\$ 3,216
SPECIAL FUNDS.....	94,928	110,045	120,917	113,843	110,975	114,305	117,734
FEDERAL FUNDS.....	34	1,953	2,453	200	200	200	200
OTHER FUNDS.....	75,342	45,299	24,764	24,999	25,238	25,482	25,730
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 175,142</b>	<b>\$ 160,084</b>	<b>\$ 151,105</b>	<b>\$ 142,072</b>	<b>\$ 139,504</b>	<b>\$ 143,140</b>	<b>\$ 146,880</b>
<b>OLDER PENNSYLVANIANS TRANSIT</b>							
GENERAL FUND.....	\$ 11,868	\$ 25,090	\$ 25,090	\$ 25,090	\$ 25,090	\$ 25,090	\$ 25,090
SPECIAL FUNDS.....	103,647	120,126	118,348	120,600	123,080	125,600	128,150
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	4,184	4,320	3,500	3,500	3,500	3,500	3,500
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 119,699</b>	<b>\$ 149,536</b>	<b>\$ 146,938</b>	<b>\$ 149,190</b>	<b>\$ 151,670</b>	<b>\$ 154,190</b>	<b>\$ 156,740</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 287,579	\$ 307,021	\$ 315,465	\$ 315,138	\$ 315,289	\$ 315,442	\$ 315,598
SPECIAL FUNDS.....	1,587,672	1,625,959	1,641,255	1,594,774	1,636,215	1,659,348	1,691,293
FEDERAL FUNDS.....	788,428	969,599	1,023,965	1,003,473	995,436	997,720	1,005,143
OTHER FUNDS.....	1,095,307	1,137,693	1,121,173	1,107,007	1,109,928	1,113,713	1,122,326
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 3,758,986</b>	<b>\$ 4,040,272</b>	<b>\$ 4,101,858</b>	<b>\$ 4,020,392</b>	<b>\$ 4,056,868</b>	<b>\$ 4,086,223</b>	<b>\$ 4,134,360</b>



*PROGRAM OBJECTIVE: To provide an effective administrative system supporting both non-highway and highway transportation programs.*

## Program: Transportation Support Services

This program provides for administrative and overhead services that support the operation of programs necessary for the achievement of Commonwealth and department objectives.

The non-highway related activities include providing administrative coordination, planning and support for all urban, rural and intercity mass transit and rail freight transportation. Another part of the non-highway related activity is the oversight of the Public Transportation Assistance Fund created by Act 26 of 1991 and additional funds provided by Act 3 of 1997. To promote efficient and effective urban mass transit the program conducts 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 that 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. This part of the program directs and coordinates specific construction, maintenance, safety and licensing activities and highway technology projects. Support is also provided in legal, budgetary, accounting, personnel, procurement, information systems and public relations matters. The department supports its portion of the work of the Inspector General's Office along with the activities of the State Transportation Commission and the Transportation Advisory Committee through this program.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p><b>GENERAL FUND</b>  <b>Transit and Rail Freight Operations</b>                  \$ 59 —to continue current program.</p> <p><b>Relocation of Transportation and Safety Operations</b>                  \$ 2 —to continue current program.</p>	<p><b>MOTOR LICENSE FUND</b>  <b>General Government Operations</b>                  \$ 4,730 —to continue current program.</p> <p><b>Highway Systems Technology</b>                  \$ 10,400 —to continue current program.                  -1,665 —nonrecurring projects.                  \$ 8,735 <i>Appropriation increase</i></p> <p><b>Relocation of Transportation and Safety Operations</b>                  \$ -2,163 —nonrecurring project.</p>
--	---

Refunding Collected Monies (EA) is recommended at the current year level.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Transit and Rail Freight Operations .....	\$ 1,715	\$ 1,926	\$ 1,985	\$ 2,025	\$ 2,066	\$ 2,107	\$ 2,149
Relocation of Transportation and Safety Operations .....	169	172	174	0	0	0	0
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 1,884</b>	<b>\$ 2,098</b>	<b>\$ 2,159</b>	<b>\$ 2,025</b>	<b>\$ 2,066</b>	<b>\$ 2,107</b>	<b>\$ 2,149</b>
<b>MOTOR LICENSE FUND:</b>							
General Government Operations .....	\$ 28,883	\$ 31,224	\$ 35,954	\$ 36,073	\$ 37,137	\$ 38,233	\$ 39,362
Highway Systems Technology .....	27,275	26,000	34,735	22,900	14,300	12,800	12,800
Refunding Collected Monies (EA) .....	4,437	4,500	4,500	4,500	4,500	4,500	4,500
Relocation of Transportation and Safety Operations .....	8,877	5,752	3,589	0	0	0	0
<b>TOTAL MOTOR LICENSE FUND .....</b>	<b>\$ 69,472</b>	<b>\$ 67,476</b>	<b>\$ 78,778</b>	<b>\$ 63,473</b>	<b>\$ 55,937</b>	<b>\$ 55,533</b>	<b>\$ 56,662</b>



*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 or reconstruction work on the Commonwealth's Interstate Highway System, on other priority State highways and on State bridges that contribute to the economic growth of the Commonwealth and the mobility of the State's citizens.

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 has 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.

Included in this program are improvements to State-owned bridges listed in Act 235 of 1982, the Highway, Railroad and Highway Bridge Capital Act and later

amendments. Funding for these bridge improvements comes from annual registration fees for Commonwealth-registered vehicles having a gross weight in excess of 26,000 pounds and a 55 mill Oil Company Franchise Tax based on the average wholesale price of 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.

Act 3 of 1997 provides additional State highway construction/reconstruction funds through vehicle registration fees, with \$28 million earmarked for the Turnpike Commission.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Miles of new highway construction .....	45	46	36	36	40	40	40
Miles of Interstate reconstruction .....	76	84	75	75	75	75	75
Miles of non-Interstate reconstruction .....	56	73	50	50	50	50	50
Intersections improved to increase safety and capacity .....	155	187	185	185	185	185	185
Bridges maintained (larger than 8 feet) .....	25,982	25,985	25,988	25,991	25,994	25,997	26,000
Bridges replaced/repaired .....	271	295	315	315	280	275	270

Bridges replaced/repaired data has been restated from those shown in last year's budget to reflect a change in program emphasis.

### **Program Recommendations:** This budget recommends the following changes: (Dollar Amounts in Thousands)

#### Highway and Safety Improvement

This funding is in combination with Act 26 of 1991 revenues for 2000-01 of \$51.457 million (17 percent of 55 mills) and Highway Capital Projects authorized in Act 3 of 1997. 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 2000-01 include widening of US 202 in Montgomery County; widening of US 30 in Lancaster County; reconstruction of US 202 in Chester County; improvements to the Blairsville interchange on US 22 in Indiana County; extension of PA 33 in Northampton County; adding lanes to US 15 in Tioga County; relocation and new construction on US 222 (Warren Street Bypass) in Berks County; adding lanes to US 11/15 in Perry County; widening of PA 18 (Hermitage Road) in Mercer County and relocation of US 22/322 in Dauphin County.

Another priority is the reconstruction of the Interstate Highway System. During 2000-01 key projects in this area will include restoration of 6 miles of I-79 in Crawford County; restoration of 4 miles of I-79 in Erie County; improvements to the I-79/Turnpike interchange in Butler County; reconstruction of 6.5 miles of I-81 in Dauphin County; reconstruction of .2 mile of I-80 in Union County; restoration of 1.5 miles of I-95 in Philadelphia County; construction of a new interchange between I-78 and PA-33 in Northampton County; restoration of 5.8 miles of I-70 in Fulton County; restoration of 2.5 miles of I-80 in Northumberland County and restoration of 2.8 miles of I-78 in Berks County.

New construction will continue on approximately 27 miles of I-99 in Centre County.



**Program: State Highway and Bridge Construction/Reconstruction (continued)**

**Program Recommendations: (continued)**

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ -10,000	<b>Security Wall Pilot Program</b> —nonrecurring projects.
\$ 11,100	<b>Highway Capital Projects (EA)</b> —to continue current program.

**Bridge Restricted Revenue**  
—Major bridge projects to be started or continued during 2000-01 include Shermansville Bridge in Crawford County; Susquehanna River Bridges in Northumberland County; Lackawaxen River Bridge in Wayne County; Fourth Street/Daly Avenue Bridge in Northampton County; the City Avenue Bridge in Philadelphia County; the Hinckletown Bridge in Lancaster County; the Incline Plane Bridge in Cambria County; the Garrets Run Bridge in Armstrong County; the Hulton Bridge in Allegheny County and the Smithton Hi-level Bridge in Westmoreland County.

Highway and Safety Improvements as well as Payment to Turnpike Commission (EA) are recommended at the current year funding level.

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>MOTOR LICENSE FUND:</b>							
Highway and Safety Improvements .....	179,600	175,000	175,000	155,000	155,000	155,000	160,000
Security Wall Pilot Program .....	17,000	20,000	10,000	15,000	15,000	5,000	0
Highway Capital Projects (EA) .....	179,600	192,800	203,900	206,400	209,000	211,600	214,200
Metric Conversion .....	1,000	0	0	0	0	0	0
Payment to Turnpike Commission (EA) .....	28,000	28,000	28,000	28,000	28,000	28,000	28,000
<b>TOTAL MOTOR LICENSE FUND .....</b>	<b>\$ 405,200</b>	<b>\$ 415,800</b>	<b>\$ 416,900</b>	<b>\$ 404,400</b>	<b>\$ 407,000</b>	<b>\$ 399,600</b>	<b>\$ 402,200</b>



*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 the fourth largest state maintained highway system in the Nation and subject to severe winter weather, is faced with significant highway and bridge maintenance challenges.

Work carried out by the department or by contract includes patching, surface treatment, resurfacing, restabilization and minor betterment projects, and 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. Other routine maintenance and betterment work includes safety improvements such as skid resistant pavement applications, left turn lanes, intersection sight improvements, shoulder improvements, guiderail updates and curve banking adjustments. This program also has the responsibility of completing maintenance activities that are not directly involved with the roadway surface itself such as pipe replacement, ditch cleaning and various safety measures such as repairing traffic signals and guiderails.

The department issues special permits to truck operators for the use of certain highways and bridges with weight or special operating restrictions. By issuing these permits, the department is able to facilitate the movement

of goods over Pennsylvania's roadways without adversely affecting the structural integrity of 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 that have experienced statistically more accidents than similar roads with similar traffic volumes. Another program identifies locations that have had an inordinate number of accidents in which vehicles ran off the road or hit fixed objects. These programs 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 of which 42 percent is specifically dedicated for highway maintenance.

Act 3 of 1997 dedicated 88 percent of a 38.5 mill Oil Franchise Tax to highway maintenance, restoration and improvements.

Program Measures:	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Miles of State maintained highways .....	40,162	40,133	40,059	40,003	39,953	39,903	39,853
Miles of State maintained highways improved:							
Structural restoration .....	270	258	290	250	240	240	240
Maintenance resurfacing .....	3,241	2,797	2,710	2,640	2,645	2,645	2,645
Surface repairs .....	3,876	3,736	3,500	3,630	3,700	3,700	3,700
Total .....	7,387	6,791	6,500	6,520	6,585	6,585	6,585
Truck weight and safety enforcement:							
Trucks weighed .....	262,153	400,000	400,000	400,000	400,000	400,000	400,000
Weight violations .....	5,180	6,000	6,000	6,000	6,000	6,000	6,000
Trucks inspected .....	17,774	20,000	20,000	20,000	20,000	20,000	20,000
Safety violations .....	53,768	52,000	52,000	54,000	54,000	54,000	54,000

Miles of State maintained highways improved structural restoration are lower than in last year's budget due to a change in program emphasis to surface repairs which are higher than in last year's budget.

The weight violations measure is higher in 1998-99 than estimated in last year's budget because more trucks were weighed, and lower in 1999-00 and subsequent years to more accurately reflect the actual number of violations in 1998-99.



**Program: State Highway and Bridge Maintenance (continued)**

**Program Recommendations:**

This budget recommends the following changes: (Dollar Amounts in Thousands)

	<b>GENERAL FUND</b>		
	<b>Welcome Centers</b>		<b>Secondary Roads — Maintenance and Resurfacing (EA)</b>
\$ 90	—to continue current program.	\$ 1,896	—to continue current program.
-110	—nonrecurring operating expenses.		
300	—Initiative — Welcome Center Renovations. To renovate Welcome Centers in Mercer, Fulton, York and Delaware counties.	\$ 15,000	<b>Highway Maintenance Safety Projects</b>
			—Initiative — Highway Maintenance Safety Projects. To enhance road safety conditions in 67 counties.
		-45,000	—nonrecurring projects.
<u>\$ 280</u>	<i>Appropriation Increase</i>	<u>\$ -30,000</u>	<i>Appropriation Decrease</i>
	<b>MOTOR LICENSE FUND</b>		
	<b>Highway Maintenance</b>		
\$ 9,577	—to continue current program.		
8,017	—PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides resources for base stations and mobile and portable radio equipment for agency participation in the Statewide Public Safety Radio System. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.		
			Reinvestment — Facilities is recommended at the current year level.
<u>\$ 17,594</u>	<i>Appropriation Increase</i>		

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Welcome Centers .....	\$ 1,688	\$ 1,975	\$ 2,255	\$ 1,994	\$ 2,034	\$ 2,075	\$ 2,117
<b>MOTOR LICENSE FUND:</b>							
Highway Maintenance .....	\$ 609,932	\$ 621,406	\$ 639,000	\$ 640,108	\$ 686,021	\$ 710,255	\$ 731,628
Secondary Roads — Maintenance and Resurfacing (EA) .....	61,165	59,974	61,870	62,087	62,304	62,522	62,739
Preventive Maintenance .....	50,000	0	0	0	0	0	0
Highway Maintenance Safety Projects .....	0	45,000	15,000	0	0	0	0
Reinvestment — Facilities .....	7,155	6,140	6,140	6,000	6,000	6,000	6,000
<b>TOTAL MOTOR LICENSE FUND .....</b>	<u>\$ 728,252</u>	<u>\$ 732,520</u>	<u>722,010</u>	<u>708,195</u>	<u>754,325</u>	<u>778,777</u>	<u>800,367</u>



*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. These include:

### Liquid Fuels Tax

- The first one-half cent of the twelve cent per gallon liquid fuel tax is deposited directly into the Liquid Fuels Tax Fund and apportioned to the 67 counties.
- Of the remaining eleven and one-half cents fuel tax, 20 percent is distributed from the Motor License Fund to 2,572 municipalities.

### Oil Franchise Tax

- In addition to the distribution of 20 percent of the remaining eleven and one-half cent liquid fuels tax, the 2,572 municipalities also receive:
  - 20 percent of the first 35 mills of the 60 mill oil franchise tax.
  - Twelve percent of an additional 55 mill portion of the oil franchise tax as provided for in Act 26 of 1991.
  - Another twelve percent of an additional 38.5 mill oil franchise tax created by Act 3 of 1997.

### Motor License Fund

- 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 State designated roads that function as 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 4,200 miles of these roads have been returned to the Commonwealth's municipalities.

The General Assembly established 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 the following sources:

- Annual registration fees for Commonwealth registered vehicles having a registered weight in excess of 26,000 pounds.
- A 55 mill oil franchise tax effective October 1, 1997 (Act 3 of 1997), which replaced a six cents per gallon tax previously charged, and is based on the average wholesale price of motor fuel used by carriers in the operation of their commercial vehicles on roads located within the Commonwealth.
- One percent of an additional 55 mill oil franchise tax is provided by Act 26 of 1991 for local bridge funding.

A local bridge inspection program, funded from the Highway Maintenance appropriation included in the State Highway and Bridge Maintenance Subcategory, 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 noncompliance of standards as well as minimizing future tort liability in this area. Because of the benefits of this program to local governments, the General Assembly has authorized that the cost of the inspections be deducted from the municipalities liquid fuels tax allocation.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Miles of highway locally administered:							
Total .....	75,305	75,700	76,110	76,502	76,872	77,252	77,642
Percent of all highways in the Commonwealth .....	65.2%	65.4%	65.5%	65.7%	65.8%	65.9%	66.1%
Miles of local highways improved .....	1,681	1,720	1,720	1,720	1,720	1,720	1,720
Local bridges:							
Total (greater than 20 feet) .....	6,327	6,330	6,333	6,336	6,339	6,342	6,345
Brought up to standard through State Bridge Program .....	68	65	60	60	60	60	60



**Program: Local Highway and Bridge Assistance (continued)**

**Program Recommendations:**

This budget recommends the following changes: (Dollar Amounts in Thousands)

**Local Road Maintenance and Construction Payments**  
 \$ 4,310 —to continue program based on current year estimated revenue collections.

Supplemental Local Road Maintenance and Construction Payments is recommended at the current year level.

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>MOTOR LICENSE FUND:</b>							
Local Road Maintenance and Construction Payments .....	\$ 181,173	\$ 174,992	\$ 179,302	\$ 179,263	\$ 179,898	\$ 180,533	\$ 181,180
Supplemental Local Road Maintenance and Construction Payment .....	5,000	5,000	5,000	5,000	5,000	5,000	5,000
<b>TOTAL MOTOR LICENSE FUND .....</b>	<b>\$ 186,173</b>	<b>\$ 179,992</b>	<b>\$ 184,302</b>	<b>\$ 184,263</b>	<b>\$ 184,898</b>	<b>\$ 185,533</b>	<b>\$ 186,180</b>





*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 Mass Transportation Law including the establishment of the Public Transportation Assistance Fund (PTAF). This fund provides a dedicated source of revenue to the Commonwealth's transit providers that can be used for capital replacement and asset maintenance. This source of transit revenue is in addition to the mass transit assistance program funded by 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, fare box 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, on an annual basis, is required to adopt a specific series of service

standards and performance evaluation measures. The Commonwealth, along with Federal and local governments, annually provide grants to the State's twenty-one urban transit systems.

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 1995-96, rural and small urban entities are funded from the Mass Transportation Assistance appropriation since the trigger amount has been exceeded.

Act 3 of 1997 provides additional State funding for urban, rural and community transportation systems by dedicating 1.22 percent of sales and use tax collections, up to a maximum of \$75 million per year. Most of these funds can be used for operating assistance as well as for capital replacement.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Passengers carried by State-assisted operators (millions annually) .....	282.5	304.7	313.1	318.1	322.4	324.5	326.3
Passengers per vehicle hour .....	31.7	33.2	34.0	34.4	34.6	34.7	34.7
Percentage share of average income of mass transit trips:							
From passenger .....	42.6	42.0	41.7	41.6	41.6	41.6	41.5
From Commonwealth .....	47.1	47.6	48.1	48.2	48.3	48.3	48.4
From Federal Government .....	1.0	1.0	0.9	0.9	0.8	0.8	0.8
From local government .....	9.5	9.4	9.3	9.3	9.3	9.3	9.3

Passengers per vehicle hour are higher than projected in last year's budget due to anticipated service increases.

The percentage shares of average income of mass transit trips from the Federal Government is lower than in last year's budget because new Federal reauthorization legislation, specifically the Transportation Equity Act for the 21st Century, (Public Law 105-178), enacted June 9, 1998 and commonly known as TEA-21, significantly reduces operating assistance.

<b>Program Recommendations:</b>		This budget recommends the following changes: (Dollar Amounts in Thousands)	
\$	13	\$	7,861
	<b>Rail Safety Inspection</b> —to continue current program.		<b>Mass Transportation Assistance</b> —to continue current program.

The Rural Transportation Assistance appropriation is recommended at the current year level.



**Program: Mass Transportation (continued)**

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Rail Safety Inspection .....	\$ 419	\$ 429	\$ 442	\$ 451	\$ 460	\$ 469	\$ 478
Mass Transportation Assistance .....	254,663	262,048	269,909	269,909	269,909	269,909	269,909
Rural Transportation Assistance .....	1,774	2,000	2,000	2,000	2,000	2,000	2,000
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 256,856</b>	<b>\$ 264,477</b>	<b>\$ 272,351</b>	<b>\$ 272,360</b>	<b>\$ 272,369</b>	<b>\$ 272,378</b>	<b>\$ 272,387</b>



*PROGRAM OBJECTIVE: To facilitate the development of improved rail, 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 Transportation

Commonwealth activities involve three separate intercity transportation programs: intercity bus service such as that operated by Greyhound and Trailways, Commonwealth flight services, 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 358,000 passengers will utilize Commonwealth subsidized intercity bus services in 1999-00. 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.

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 abandonment 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 were 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 serves 46 industries. The Commonwealth's rail freight program provides 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 a procedure not subject to appeal, 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. The Department of Transportation generally provides 75 percent of the funding for accelerated maintenance projects.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Intercity Bus:</b>							
Passengers handled .....	354,000	358,000	363,000	365,000	365,000	365,000	365,000
Subsidy per bus mile .....	\$0.52	\$0.56	\$0.56	\$0.56	\$0.56	\$0.56	\$0.56
<b>Rail Freight:</b>							
<b>Miles of rail lines:</b>							
State assisted .....	350	350	350	350	350	350	350
State owned .....	103	103	103	103	103	103	103
<b>Miles of rail lines rehabilitated:</b>							
State assistance program .....	300	300	300	300	300	300	300



**Program: Intercity Transportation (continued)**

**Program Recommendations:**

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 45 Intercity Transportation  
—to continue current program.

Rail Freight Assistance is recommended at the current year level.

**Appropriations within this Program:**

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Intercity Transportation .....	\$ 1,945	\$ 2,094	\$ 2,139	\$ 2,139	\$ 2,139	\$ 2,139	\$ 2,139
Rail Freight Assistance .....	8,500	8,500	8,500	8,500	8,500	8,500	8,500
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 10,445</b>	<b>\$ 10,594</b>	<b>\$ 10,639</b>	<b>\$ 10,639</b>	<b>\$ 10,639</b>	<b>\$ 10,639</b>	<b>\$ 10,639</b>



**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 835 landing areas, Pennsylvania is fourth nationally in both the number of airports and in landing facilities per square mile. 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. On January 2, 1998, the Commonwealth signed an agreement with a local authority to divest itself of Harrisburg International and Capital City Airports. The local authority assumed the operation of these airports immediately. Local governments or authorities now operate all airline service airports in Pennsylvania.

The department provides programs to improve the safety and effectiveness of the Commonwealth's aviation network. These program activities include the maintenance of 45 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 programs include:

- An airport development grant program for public use airports based on the site and economic viability of the project.
- Business airport and runway rehabilitation grants. Grants provide a maximum of twelve and one-half percent of the total project cost for Federally funded projects and a maximum of seventy-five percent of the total project costs for nonfederal funded projects.
- A real estate tax rebate program for public airports which is funded exclusively from the Statewide aviation fuel tax.

In addition, the Commonwealth is one of only nine states chosen as a Federal block grant state. The Commonwealth, through the Department of Transportation, receives approximately \$8.5 million each year from the Federal Aviation Administration (FAA) to be distributed to qualifying airports throughout the Commonwealth. To qualify, an airport must be a public use airport as identified in the National Plan of Integrated Airport Systems. The funds may be used for runways, taxiways, terminals and other related projects.

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Airports receiving State grants:							
Airport development grants .....	52	51	43	48	52	52	52

The airport development grants measure has been restated from last year's budget to more accurately reflect actual experience.

## Program Recommendations:

The budget recommends the Airport Development Grants Program at the current year level of \$7.5 million. It is funded from the Aviation Restricted Revenue Account.



*PROGRAM OBJECTIVE: To minimize traffic accidents attributable to driver error and mechanically defective vehicles and to promote highway safety programs.*

## Program: Safety Administration and Licensing

The Safety Administration and Licensing Program is responsible for a number of front-line customer services that affect most of Pennsylvania's adult population such as the issuance of vehicle registrations and driver's licenses. The department is responsible for processing applications and collecting fees for all vehicle registrations, titles and operator licenses. Last year, over 9.9 million vehicles were registered under Pennsylvania's annual renewal cycle. This total included over 182,000 heavy trucks greater than 17,000 pounds and more than 106,000 trailers greater than 10,000 pounds. The number of licensed drivers has remained constant over the past few years at 8 million, including 320,000 commercial drivers. The four-year drivers license expiration cycle is staggered so that about two million renewals are processed each year.

The testing, inspection and revocation aspects of operator and vehicular licensing activities fall within the Safety Administration Program. The driver's testing program is designed to screen out applicants with insufficient driving knowledge or skills as well as identify applicants with mental or physical disabilities. The department also operates the Driver's License Examination Program. More than a million driving knowledge tests are conducted each year so those applicants can be certified to operate passenger and commercial vehicles. A Statewide network of facilities is utilized to conduct written, oral and skills tests. In compliance with the Federal Commercial Motor Vehicle Safety Act of 1986, commercial and bus operators receive a specialized written and driving test.

The safety inspection program for the Commonwealth's more than 9 million motor vehicles is intended to minimize traffic accidents due to mechanical failure. The Commonwealth's current emission inspection program inspects 3.1 million vehicles annually with the intended purpose of improving air quality. The department licenses inspection stations, trains vehicle inspectors and monitors the work of mechanics to assure compliance with approved safety standards.

Pennsylvania enforcement officials are responsible for the issuance of citations for vehicle code violations. Over one-half of the one million citations issued annually result in the department having to take some action against a driver or vehicle record. In addition to assigning points for driver infractions, the department suspends or revokes licenses for an accumulation of points. Commercial drivers may be sanctioned by having their commercial driving

privilege revoked for certain offenses if committed in a commercial motor vehicle. The department, however, is authorized to issue an Occupational Limited License (OLL) to certain suspended drivers if mandated criteria for eligibility is met. The license is limited to specific hours and destinations as described by the applicant and approved by the department. A new law that affects "habitual offenders" took effect in September 1995. Act 143 of 1994 redefines the criteria used to classify habitual offenders — people whose driving privileges have been revoked for five years or longer due to an accumulation of three or more convictions for certain serious offenses. This legislation also established a "Probationary License," which is not restricted to work-related use. Successful applicants must meet strict criteria.

The Safety Administration and Licensing Program also administers provisions of the National Voter Registration Act of 1993, better known as "Motor Voter," and the Commonwealth's Organ Donor Program.

The department also processes cancellation notices received from insurance companies. Notification of cancellation prompts the department to have registrants revalidate proper insurance coverage for the vehicle. This program combined with the authority granted enforcement officials to cite motorists detected as not having insurance can result in a revocation or suspension of vehicle registration.

The Department of Transportation currently has 98 offices Statewide that offer driver examination and/or photo licensing services and is working with private business to further decentralize its driver and vehicle services to improve access. The computerized on-line messenger program, which connects the private business with the Department of Transportation, has been the cornerstone in this effort. Currently there are 53 messenger sites on-line, with further expansion planned through 2001. Other efforts to improve service include more efficient linkage between the department and automobile dealers, leasing and rental agencies and fleet owners for the immediate processing of registration and titling transactions. In addition the department has instituted a mobile driver and services unit and is implementing a pilot program that enables driver education teachers at schools to administer the skill test to their students.



## Program: Safety Administration and Licensing (continued)

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Vehicles inspected:</b>							
Safety inspections .....	9,250,000	9,300,000	9,303,000	9,396,030	9,489,990	9,584,890	9,776,588
Emission inspections .....	3,407,225	3,145,000	3,470,000	3,540,000	3,610,000	3,685,000	3,759,720
<b>Registrations:</b>							
New .....	1,703,000	1,754,090	1,806,713	1,860,914	1,916,741	1,974,243	2,033,471
Renewed .....	8,218,000	8,306,847	8,384,865	8,468,714	8,553,401	8,638,935	8,725,324
<b>Licensed drivers:</b>							
New .....	252,700	252,700	252,700	252,700	252,700	252,700	252,700
Renewed .....	2,006,800	2,046,900	1,995,700	2,095,600	1,861,500	2,140,700	1,995,700
New commercial drivers licensed .....	20,387	20,387	20,387	20,387	20,387	20,387	20,387
<b>Photo identification cards issued:</b>							
(non-driver photo) .....	229,300	229,300	229,300	229,300	229,300	229,300	229,300

New registrations are higher than projected in last year's budget based upon more recent actual figures. Registrations are also projected to grow at a faster rate than previously projected due to the anticipated effect of the enhanced titling and registration program.

New driver licenses are lower than projected in last year's budget based upon more recent actual figures.

Photo identification cards issued are higher than projected in last year's budget due to the increased number and accessibility of photo license centers as well as an increase in demand.

## Program Recommendations: This budget recommends the following changes: (Dollar Amounts in Thousands)

<b>GENERAL FUND</b>		<b>MOTOR LICENSE FUND</b>	
\$ 56	Vehicle Sales Tax Collections —to continue current program.	\$ 4,342 3,230	Safety Administration and Licensing —to continue current program. —Initiative—Information Technology Enhancements. To provide for upgraded safety administration and licensing software.
\$ 28	Voter Registration —to continue current program.	\$ 7,572	Appropriation Increase
\$ 100	Organ Donor Operations —to reimburse Motor License Fund for it's operating costs in administering the Organ Donor program.	\$ 3,300	Enhanced Titling and Registration —to continue current program.



Includes continuation of PRIME recommendation to expand the online title and registration process. This allows auto dealers to provide titling and registration services at the point of sale, reducing paper processing and allowing the customer to obtain the needed documents faster.

## Appropriations within this Program: (Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Vehicle Sales Tax Collections .....	\$ 1,810	\$ 1,855	\$ 1,911	\$ 1,949	\$ 1,988	\$ 2,028	\$ 2,069
Voter Registration .....	642	932	960	979	999	1,019	1,039
Organ Donor Operations .....	0	0	100	102	104	106	108
DUI Equipment Grants .....	2,386	0	0	0	0	0	0
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 2,452</b>	<b>\$ 2,787</b>	<b>\$ 2,971</b>	<b>\$ 3,030</b>	<b>\$ 3,091</b>	<b>\$ 3,153</b>	<b>\$ 3,216</b>
<b>MOTOR LICENSE FUND:</b>							
Safety Administration and Licensing .....	\$ 93,528	\$ 99,945	\$ 107,517	\$ 107,743	\$ 110,975	\$ 114,305	\$ 117,734
Enhanced Titling and Registration .....	1,400	10,100	13,400	6,100	0	0	0
<b>TOTAL MOTOR LICENSE FUND .....</b>	<b>\$ 94,928</b>	<b>\$ 110,045</b>	<b>\$ 120,917</b>	<b>\$ 113,843</b>	<b>\$ 110,975</b>	<b>\$ 114,305</b>	<b>\$ 117,734</b>



*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 citizens have benefited from greater mobility since the implementation of the Free Transit Program in 1973. The program is funded by State Lottery proceeds. Under this program, Pennsylvanians 65 years of age or older 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 rail lines.

The Shared Ride Program for older Pennsylvanians authorized by Act 101 of 1980, and amended by Act 36 of 1991, permits citizens 65 years of age or older to ride on shared-ride, demand responsive transportation services

operating on a non-fixed route basis, and pay 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 and Shared Ride Programs recognize the limited availability of private transportation for older Pennsylvanians and their 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.

The Fixed Route program provides financial support for the Keystone Rail Service (Harrisburg/Philadelphia).

<b>Program Measures:</b>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Free transit trips .....	41,251,329	42,077,093	43,273,445	44,138,914	45,021,692	45,922,126	46,840,569
Trips on State assisted shared ride vehicles ...	6,391,088	6,495,000	6,548,000	6,613,000	6,679,000	6,746,000	6,813,000
Cost to the Commonwealth per trip:							
Free Transit .....	\$1.46	\$1.54	\$1.54	\$1.54	\$1.54	\$1.54	\$1.54
State assisted shared ride vehicles .....	\$8.77	\$9.13	\$9.75	\$10.14	\$10.55	\$10.97	\$11.41
Intercity Rail:							
Passengers handled .....	202,857	230,000	230,000	250,000	260,000	260,000	260,000
Subsidy per passenger mile .....	\$0.18	\$0.17	\$0.17	\$0.13	\$0.13	\$0.13	\$0.13

The free transit trips and trips on State assisted shared ride vehicles measures are lower than in last year's budget based on the latest projections reflecting actual 1998-99 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)

<b>LOTTERY FUND</b> Older Pennsylvanians Shared Rides — to continue current program \$ 1,222	<b>Older Pennsylvanians Free Transit</b> — based on the latest projection of ridership and fares. \$ -3,000
---	---

Fixed Route Transit is recommended at the current year funding level.

### Appropriations within this Program: (Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Fixed Route Transit .....	\$ 11,868	\$ 25,090	\$ 25,090	\$ 25,090	\$ 25,090	\$ 25,090	\$ 25,090
<b>LOTTERY FUND:</b>							
Older Pennsylvanians Shared Rides (EA) ..	\$ 58,389	\$ 63,126	\$ 64,348	\$ 65,600	\$ 66,900	\$ 68,300	\$ 69,700
Older Pennsylvanians Free Transit (EA) .....	45,258	57,000	54,000	55,000	56,180	57,300	58,450
<b>TOTAL LOTTERY FUND .....</b>	<b>\$ 103,647</b>	<b>\$ 120,126</b>	<b>\$ 118,348</b>	<b>\$ 120,600</b>	<b>\$ 123,080</b>	<b>\$ 125,600</b>	<b>\$ 128,150</b>







---

# LEGISLATURE

The General Assembly of Pennsylvania formulates and enacts the public policy of the Commonwealth. Through legislation and resolution, it defines the functions of the State Government, provides for revenue for the Commonwealth and appropriates money for the operation of State agencies and other purposes.

The General Assembly is composed of two bodies—the Senate and the House of Representatives. Its sessions begin on the first Tuesday of each year unless otherwise convened by proclamation of the Governor.



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

1998-99 1999-00 2000-01  
ACTUAL AVAILABLE BUDGET

**GENERAL FUND:**

*General Government:*

Senate:			
Fifty Senators.....	\$ 3,968	\$ 4,200	\$ 4,460
Senate President - Personnel Expenses.....	263	275	275
Employees of Chief Clerk.....	4,600	4,800	4,800
Salaried Officers and Employees.....	6,265	6,891	7,029
Reapportionment Expenses.....	200	200	200
Incidental Expenses.....	1,995	2,334	2,450
Postage - Chief Clerk and Legislative Journal.....	1,450	1,400	1,400
President.....	5	5	5
President Pro Tempore.....	20	20	20
Floor Leader (R).....	7	7	7
Floor Leader (D).....	7	7	7
Whip (R).....	6	6	6
Whip (D).....	6	6	6
Chairman of the Caucus (R).....	3	3	3
Chairman of the Caucus (D).....	3	3	3
Secretary of the Caucus (R).....	3	3	3
Secretary of the Caucus (D).....	3	3	3
Chairman of the Appropriations Committee (R).....	6	6	6
Chairman of the Appropriations Committee (D).....	6	6	6
Chairman of the Policy Committee (R).....	2	2	2
Chairman of the Policy Committee (D).....	2	2	2
Caucus Administrator (R).....	2	2	2
Caucus Administrator (D).....	2	2	2
Committee on Appropriations (R).....	2,840	2,977	3,036
Committee on Appropriations (D).....	2,840	2,977	3,036
Expenses - Senators.....	575	575	575
Legislative Printing and Expenses.....	7,022	7,022	7,750
Computer Services (R).....	3,246	4,046	4,127
Computer Services (D).....	3,246	4,046	4,127
Special Leadership Account (R).....	8,127	8,521	8,691
Special Leadership Account (D).....	8,127	8,521	8,691
Legislative Management Committee (R).....	5,158	5,408	5,516
Legislative Management Committee (D).....	5,158	5,408	5,516
Senate Flag Purchase.....	24	24	24
Senate SERS Annuitant Cost of Living Increase.....	186	0	0
Subtotal.....	\$ 65,373	\$ 69,708	\$ 71,786

House of Representatives:

Members' Salaries, Speaker's Extra Compensation.....	\$ 16,457	\$ 17,255	\$ 17,773
House Employees (R).....	8,514	8,927	9,195
House Employees (D).....	8,514	8,927	9,195
Speaker's Office.....	767	804	829
Bi-Partisan Committee, Chief Clerk, Comptroller.....	6,504	6,819	7,024
Reapportionment Expenses.....	200	200	200
Mileage - Representatives, Officers and Employees.....	200	200	200
Chief Clerk and Legislative Journal.....	1,500	1,500	1,500
Speaker.....	20	20	20
Chief Clerk.....	643	643	643
Floor Leader (R).....	7	7	7
Floor Leader (D).....	7	7	7
Whip (R).....	6	6	6
Whip (D).....	6	6	6
Chairman - Caucus (R).....	3	3	3
Chairman - Caucus (D).....	3	3	3
Secretary - Caucus (R).....	3	3	3
Secretary - Caucus (D).....	3	3	3



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99	1999-00	2000-01
	ACTUAL	AVAILABLE	BUDGET
Chairman - Appropriations Committee (R).....	6	6	6
Chairman - Appropriations Committee (D).....	6	6	6
Chairman - Policy Committee (R).....	2	2	2
Chairman - Policy Committee (D).....	2	2	2
Caucus Administrator (R).....	2	2	2
Caucus Administrator (D).....	2	2	2
Administrator for Staff (R).....	20	20	20
Administrator for Staff (D).....	20	20	20
Legislative Office for Research Liaison.....	507	532	548
Incidental Expenses.....	5,775	5,775	5,775
Expenses - Representatives.....	3,100	3,100	3,100
Legislative Printing and Expenses.....	19,500	19,500	19,500
Members' Home Office Expenses.....	2,100	2,100	2,100
National Legislative Conference - Expenses.....	194	194	194
Committee on Appropriations (R).....	1,589	1,666	1,716
Committee on Appropriations (D).....	1,589	1,666	1,716
Special Leadership Account (R).....	9,394	9,850	10,146
Special Leadership Account (D).....	9,394	9,850	10,146
Legislative Management Committee (R).....	10,807	11,331	11,671
Legislative Management Committee (D).....	10,807	11,331	11,671
Commonwealth Emergency Medical System.....	35	35	35
House Flag Purchase.....	24	24	24
School for New Members.....	15	0	15
House SERS Annuitant Cost of Living Increase.....	327	0	0
Subtotal.....	\$ 118,574	\$ 122,347	\$ 125,034
<b>Legislative Reference Bureau:</b>			
Legislative Reference Bureau - Salaries & Expenses.....	\$ 5,867	\$ 6,152	\$ 6,460
Contingent Expenses.....	20	20	20
Printing of PA Bulletin and PA Code.....	425	425	510
Subtotal.....	\$ 6,312	\$ 6,597	\$ 6,990
<b>Legislative Budget and Finance Committee.....</b>	<b>\$ 2,027</b>	<b>\$ 2,125</b>	<b>\$ 2,080</b>
<b>Legislative Miscellaneous and Commissions:</b>			
Legislative Data Processing Center.....	\$ 2,906	\$ 3,453	\$ 3,598
Joint State Government Commission.....	1,718	1,801	1,720
Local Government Commission.....	750	786	822
Local Government Codes.....	48	23	23
Joint Legislative Air and Water Pollution Control Committee.....	321	380	476
Legislative Audit Advisory Commission.....	147	150	154
Independent Regulatory Review Commission.....	1,725	1,809	1,850
Capitol Preservation Committee.....	500	650	650
Capitol Restoration.....	2,010	3,510	3,510
Colonial History.....	187	187	187
Commission on Sentencing.....	695	888	915
Center For Rural Pennsylvania.....	963	1,010	1,030
Health Care Cost Containment Council.....	3,175	3,405	3,808
State Ethics Commission.....	1,415	1,582	1,623
Misc. Commissions - SERS Annuitant Cost of Living Increase.....	11	0	0
Subtotal.....	\$ 16,571	\$ 19,634	\$ 20,366
<b>Total - General Government.....</b>	<b>\$ 208,857</b>	<b>\$ 220,411</b>	<b>\$ 226,256</b>
<b>GENERAL FUND TOTAL.....</b>	<b>\$ 208,857</b>	<b>\$ 220,411</b>	<b>\$ 226,256</b>



## Program Funding Summary

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>LEGISLATURE</b>							
GENERAL FUND.....	\$ 208,857	\$ 220,411	\$ 226,256	\$ 226,241	\$ 226,256	\$ 226,241	\$ 226,256
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
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 208,857</b>	<b>\$ 220,411</b>	<b>\$ 226,256</b>	<b>\$ 226,241</b>	<b>\$ 226,256</b>	<b>\$ 226,241</b>	<b>\$ 226,256</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 208,857	\$ 220,411	\$ 226,256	\$ 226,241	\$ 226,256	\$ 226,241	\$ 226,256
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
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 208,857</b>	<b>\$ 220,411</b>	<b>\$ 226,256</b>	<b>\$ 226,241</b>	<b>\$ 226,256</b>	<b>\$ 226,241</b>	<b>\$ 226,256</b>



*PROGRAM OBJECTIVE: To formulate and enact the public policy of the Commonwealth, to define the functions of State Government, to provide revenue for the Commonwealth and to appropriate money for the operation of State agencies and for other purposes.*

## Program: Legislature

This program provides for the operation of the General Assembly, which consists of a 50 member Senate and a 203 member House of Representatives, funded by

numerous General Fund appropriations. These appropriations are detailed in the Summary by Fund and Appropriation portion of this presentation.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 5,845 **Legislature**  
—to continue current program.

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
TOTAL GENERAL FUND .....	\$ 208,857	\$ 220,411	\$ 226,256	\$ 226,241	\$ 226,256	\$ 226,241	\$ 226,256





---

# 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, Philadelphia Traffic Court and the Pittsburgh Magistrate Court.



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
<b>GENERAL FUND:</b>			
<i>General Government:</i>			
<b>Supreme Court:</b>			
Supreme Court.....	\$ 9,729	\$ 10,341	\$ 11,414
(A) Filing Fees.....	336	328	328
Justices Expenses.....	180	180	180
Study Unified Judiciary.....	1,358	764	0
Statewide Funding - Court Administrator.....	2,859	0	0
Statewide Funding - Judicial Council.....	180	180	183
Statewide Funding - County Court Administrators.....	11,982	13,136	12,979
Statewide Funding - Court Management Education.....	200	150	150
Civil Procedural Rules Committee.....	337	387	386
(A) Reimbursement for Services.....	21	0	0
Appellate/Orphans Rules Committee.....	0	135	154
Rules of Evidence Committee.....	0	198	175
Minor Court Rules Committee.....	0	229	190
Criminal Procedural Rules Committee.....	347	362	384
(A) Reimbursement for Services.....	25	0	0
Domestic Relations Committee.....	135	143	155
Juvenile Court Rules Committee.....	65	168	149
Equity Commission.....	0	400	0
Court Administrator.....	5,118	6,034	6,773
(A) Miscellaneous.....	503	3	3
Integrated Criminal Justice System.....	1,950	3,375	3,492
Judicial Computer System.....	273	0	0
(R) Judicial Computer System.....	15,080	18,611	18,669
Subtotal.....	<u>\$ 50,678</u>	<u>\$ 55,124</u>	<u>\$ 55,764</u>
<b>Superior Court:</b>			
Superior Court.....	\$ 20,371	\$ 20,921	\$ 21,951
(A) Filing Fees.....	265	280	280
Judges Expenses.....	237	237	237
Subtotal.....	<u>\$ 20,873</u>	<u>\$ 21,438</u>	<u>\$ 22,468</u>
<b>Commonwealth Court:</b>			
Commonwealth Court.....	\$ 12,082	\$ 12,508	\$ 13,160
(A) Filing Fees.....	201	200	200
Judges Expenses.....	143	143	143
Court Security.....	150	150	150
Subtotal.....	<u>\$ 12,576</u>	<u>\$ 13,001</u>	<u>\$ 13,653</u>
<b>Courts of Common Pleas:</b>			
Courts of Common Pleas.....	\$ 53,894	\$ 55,318	\$ 56,813
(A) Filing Fees.....	4	0	0
Senior Judges.....	3,450	3,527	3,668
Judicial Education.....	677	727	727
Ethics Committee.....	54	54	54
Subtotal.....	<u>\$ 58,079</u>	<u>\$ 59,626</u>	<u>\$ 61,262</u>
<b>District Justices:</b>			
District Justices.....	\$ 42,613	\$ 44,555	\$ 45,511
Retired District Justices Health Care.....	97	0	0
District Justice Education.....	520	533	546
(A) Registration Fees.....	70	40	37
Subtotal.....	<u>\$ 43,300</u>	<u>\$ 45,128</u>	<u>\$ 46,094</u>



## Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1998-99 ACTUAL	1999-00 AVAILABLE	2000-01 BUDGET
<b>Philadelphia Courts:</b>			
Traffic Court.....	\$ 668	\$ 658	\$ 668
Municipal Court.....	4,399	4,394	4,447
Law Clerks.....	39	39	39
Domestic Violence Services.....	200	200	204
Subtotal.....	<u>\$ 5,306</u>	<u>\$ 5,291</u>	<u>\$ 5,358</u>
<b>Pittsburgh Magistrate Court.....</b>			
Judicial Conduct Board.....	\$ 1,200	\$ 1,200	\$ 1,200
Court of Judicial Discipline.....	891	929	959
	374	398	407
Subtotal - State Funds.....	<u>\$ 176,772</u>	<u>\$ 182,673</u>	<u>\$ 187,648</u>
Subtotal - Augmentations.....	1,425	851	848
Subtotal - Restricted Revenues.....	15,080	18,611	18,669
Total - General Government.....	<u>\$ 193,277</u>	<u>\$ 202,135</u>	<u>\$ 207,165</u>
<b>Grants and Subsidies:</b>			
<b>Reimbursement of County Costs:</b>			
Jurors.....	\$ 1,469	\$ 1,469	\$ 1,469
County Courts.....	29,071	30,401	30,401
Subtotal.....	<u>\$ 30,540</u>	<u>\$ 31,870</u>	<u>\$ 31,870</u>
Total - Grants and Subsidies.....	<u>\$ 30,540</u>	<u>\$ 31,870</u>	<u>\$ 31,870</u>
STATE FUNDS.....	\$ 207,312	\$ 214,543	\$ 219,518
FEDERAL FUNDS.....	0	0	0
AUGMENTATIONS.....	1,425	851	848
RESTRICTED REVENUES.....	15,080	18,611	18,669
<b>GENERAL FUND TOTAL.....</b>	<u><b>\$ 223,817</b></u>	<u><b>\$ 234,005</b></u>	<u><b>\$ 239,035</b></u>





## Program Funding Summary

	(Dollar Amounts in Thousands)						
	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>STATE JUDICIAL SYSTEM</b>							
GENERAL FUND.....	\$ 207,312	\$ 214,543	\$ 219,518	\$ 223,260	\$ 227,077	\$ 230,970	\$ 234,938
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	16,505	19,462	19,517	19,908	20,307	20,713	21,127
<b>SUBCATEGORY TOTAL.....</b>	<b>\$ 223,817</b>	<b>\$ 234,005</b>	<b>\$ 239,035</b>	<b>\$ 243,168</b>	<b>\$ 247,384</b>	<b>\$ 251,683</b>	<b>\$ 256,065</b>
<b>ALL PROGRAMS:</b>							
GENERAL FUND.....	\$ 207,312	\$ 214,543	\$ 219,518	\$ 223,260	\$ 227,077	\$ 230,970	\$ 234,938
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	16,505	19,462	19,517	19,908	20,307	20,713	21,127
<b>DEPARTMENT TOTAL.....</b>	<b>\$ 223,817</b>	<b>\$ 234,005</b>	<b>\$ 239,035</b>	<b>\$ 243,168</b>	<b>\$ 247,384</b>	<b>\$ 251,683</b>	<b>\$ 256,065</b>



**PROGRAM OBJECTIVE:** To provide the citizens of the Commonwealth with prompt and equitable justice

## Program: State Judicial System

The judicial power of the Commonwealth is vested in a court system consisting of the Supreme Court, Superior Court, Commonwealth Court, Courts of Common Pleas, Philadelphia Municipal Court, Pittsburgh Magistrates Court, Traffic Court of Philadelphia and District Justices.

At the first level in the court system are the special courts. In counties other than Philadelphia, these courts are presided over by district justices who have jurisdiction over summary criminal cases, landlord-tenant matters and other civil actions where the amount claimed does not exceed \$4,000. They also have jurisdiction to issue warrants, hold arraignments and preliminary hearings in all criminal cases, and to accept guilty pleas under certain circumstances.

Although district justices need not be lawyers, they must complete an educational course and pass a qualifying examination administered by the Minor Judiciary Education Board in order to be certified. They must also participate in one week of continuing education each year.

In Philadelphia, the special courts are the Municipal Court and the Traffic Court. Municipal Court is a court of record whose 25 judges must be lawyers. Its limited jurisdiction is analogous to that of the district justices. The Philadelphia Traffic Court, composed of seven judges, has jurisdiction over all summary offenses under the Motor Vehicle Code and related city ordinances.

The City of Pittsburgh has six police magistrates in addition to the county district justices who may issue arrest warrants and preside at arraignments and preliminary hearings for all criminal offenses occurring within the city.

The Courts of Common Pleas are the courts of general trial jurisdiction. They have original jurisdiction over all cases which are not exclusively assigned to another court. Appellate jurisdiction extends to appeals from final orders of the lower courts and appeals from certain State and most local government agencies.

There are two levels of appellate courts in Pennsylvania. The lower level consists of the Superior Court with fifteen judges and the Commonwealth Court with nine judges. At the higher level, Pennsylvania's court of last resort is the Supreme Court, with seven justices.

In general, appeals from the Courts of Common Pleas are taken to one of the two intermediate appellate courts. Commonwealth Court basically has jurisdiction over appeals involving government agencies and officials, as well as many matters involving not-for-profit corporations. It also has original jurisdiction over Election Code matters and cases involving State officials. Superior Court has jurisdiction over all direct appeals which are not within the specific statutory jurisdiction of another appellate court.

As defined by the State Constitution, statute and court rule, the Administrative Office of Pennsylvania Courts (AOPC) administers the Commonwealth's court system. The AOPC provides services for approximately 1,600 members of the Judiciary and staff, including budgeting, accounting, benefits and retirement counseling, legal representation, policy guidance, technical advice, education, research, legislative affairs, communications, administration of the judicial computer project and data processing.

Pennsylvania's Supreme Court is continuing with a program known as the Judicial Computer Project which has the ultimate goal of computerization of the entire judicial system. The initial phase has computerized all of the 549 district justice offices throughout Pennsylvania. This has provided district justices with the electronic tools needed to effectively manage cases, and improve the accounting and reporting of the status of fees and fines.

The role of the Judicial Conduct Board is to investigate complaints regarding judicial conduct. Hearings are conducted by the Court of Judicial Discipline to determine whether a sanction should be imposed upon a member of the judiciary.

### Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

		<b>Statewide Funding — County Court Administrators</b>	
\$	997	—for county court staff transferred to the State judicial system.	
	-1,154	—nonrecurring information technology equipment for county courts.	
<hr/>			
\$	-157	<i>Appropriation Decrease</i>	
		<b>Courts of Common Pleas</b>	
\$	928	—to continue current program.	
	567	—for eight new judges effective January 2000.	
<hr/>			
\$	1,495	<i>Appropriation Increase</i>	

		<b>District Justices</b>
\$	871	—to continue current program.
	85	—to increase senior justice service days.
<hr/>		
\$	956	<i>Appropriation Increase</i>

This budget recommends all other appropriations either at levels based on estimated revenues or at levels to carry current programs forward. Recommendations include funding for salary increases for all judicial positions as specified in Act 51 of 1995.



## Program: State Judicial System (continued)

### Appropriations within this Program:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL FUND:</b>							
Supreme Court .....	\$ 9,729	\$ 10,341	\$ 11,414	\$ 11,642	\$ 11,875	\$ 12,113	\$ 12,355
Justices Expenses .....	180	180	180	180	180	180	180
Study Unified Judiciary .....	1,358	764	0	0	0	0	0
Statewide Funding - Court Administrator .....	2,859	0	0	0	0	0	0
Statewide Funding - Judicial Council .....	180	180	183	187	191	195	199
Statewide Funding - County Court Administrators .....	11,982	13,136	12,979	13,239	13,504	13,774	14,049
Statewide Funding - Court Management Education .....	200	150	150	153	156	159	162
Civil Procedural Rules Committee .....	337	387	386	394	402	410	418
Appellate/Orphans Rules Committee .....	0	135	154	157	160	163	166
Rules of Evidence Committee .....	0	198	175	179	183	187	191
Minor Court Rules Committee .....	0	229	190	194	198	202	206
Criminal Procedural Rules Committee .....	347	362	384	392	400	408	416
Domestic Relations Committee .....	135	143	155	158	161	164	167
Juvenile Court Rules Committee .....	65	168	149	152	155	158	161
Equity Commission .....	0	400	0	0	0	0	0
Court Administrator .....	5,118	6,034	6,773	6,908	7,046	7,187	7,331
Integrated Criminal Justice System .....	1,950	3,375	3,492	3,562	3,633	3,706	3,780
Judicial Computer System .....	273	0	0	0	0	0	0
Superior Court .....	20,371	20,921	21,951	22,390	22,838	23,295	23,761
Judges Expenses .....	237	237	237	237	237	237	237
Commonwealth Court .....	12,082	12,508	13,160	13,423	13,691	13,965	14,244
Judges Expenses .....	143	143	143	143	143	143	143
Court Security .....	150	150	150	153	156	159	162
Courts of Common Pleas .....	53,894	55,318	56,813	57,949	59,108	60,290	61,496
Senior Judges .....	3,450	3,527	3,668	3,741	3,816	3,892	3,970
Judicial Education .....	677	727	727	742	757	772	787
Ethics Committee .....	54	54	54	55	56	57	58
District Justices .....	42,613	44,555	45,511	46,421	47,349	48,296	49,262
Retired District Justices Health Care .....	97	0	0	0	0	0	0
District Justice Education .....	520	533	546	557	568	579	591
Traffic Court .....	668	658	668	681	695	709	723
Municipal Court .....	4,399	4,394	4,447	4,536	4,627	4,720	4,814
Law Clerks .....	39	39	39	40	41	42	43
Domestic Violence Services .....	200	200	204	208	212	216	220
Pittsburgh Magistrate Court .....	1,200	1,200	1,200	1,224	1,248	1,273	1,298
Judicial Conduct Board .....	891	929	959	978	998	1,018	1,038
Court of Judicial Discipline .....	374	398	407	415	423	431	440
Jurors .....	1,469	1,469	1,469	1,469	1,469	1,469	1,469
County Courts .....	29,071	30,401	30,401	30,401	30,401	30,401	30,401
<b>TOTAL GENERAL FUND .....</b>	<b>\$ 207,312</b>	<b>\$ 214,543</b>	<b>\$ 219,518</b>	<b>\$ 223,260</b>	<b>\$ 227,077</b>	<b>\$ 230,970</b>	<b>\$ 234,938</b>





Governor's Executive Budget

*CAPITAL*  
*BUDGET*

# CAPITAL BUDGET

## Program Summary

This section contains the 2000-01 Capital Budget and Five Year Capital Program. The proposed funding sources and amounts needed to support capital programs are projected for five fiscal years.

All projects are grouped by categories regardless of the source of funding. The categories, as explained below, are consistently used for projects which are to be funded by Commonwealth debt obligations, current revenues and funds received from other jurisdictions. Funding source distinctions are clearly noted throughout the section which itemizes the recommended capital program.

**Public Improvement Projects** — This category includes various types of new buildings and renovation projects. Also included are nonstructural improvements and the acquisition of land. The design and construction for the majority of these projects is administered by the Department of General Services. However, Keystone Recreation, Park and Conservation Projects are administered by the Department of Conservation and Natural Resources.

**Public Improvement—Original Furniture and Equipment Projects** — This category provides for the equipping of newly completed public improvement projects by purchasing original movable furniture and equipment through the Department of General Services. Replacement furniture and equipment to be used in existing buildings is purchased as fixed assets through agency operating budgets.

**Transportation Assistance Projects** — These projects include: (a) the purchase of rolling stock and construction or improvement of facilities operated by mass transportation agencies throughout the Commonwealth; and, (b) the acquisition, construction and equipping of rural and intercity common carrier surface transportation systems or any components thereof. These projects are administered by the Department of Transportation.

**Redevelopment Assistance Projects** — This category provides grants for the acquisition of land and the construction of buildings and other property appurtenances for municipal agencies and authorities for economic development and the prevention and elimination of blight.

**Flood Control Projects** — This category provides the State's share of Federal flood control works and improvements to prevent floods and to preserve, control and regulate the flow of rivers and streams in the Commonwealth. These projects are administered by the Department of Environmental Protection.

**Highway Projects** — This category includes the design, purchase of rights-of-way, construction, reconstruction and other improvements to highways and bridges on the State highway system. These projects are designed and constructed by the Department of Transportation.

The Capital Budget section consists of the following subsections.

**2000-01 New Project Authorizations** — This Section itemizes and describes the new capital projects recommended for authorization in 2000-01 and their proposed source of funding. The projects are listed by department and capital project category. In terms of program emphasis, the 2000-01 budget provides the largest dollar value in new authorizations for higher education and correctional institutions.

**Impact on Operating Costs** — The description of each capital project recommended for authorization contains a statement concerning the impact on program operating costs expected from the implementation of the capital project. With certain exceptions, the statement indicates little or no effect on operating costs. This is due to the fact that most capital projects involve the renovation or replacement of existing facilities. Consequently, any operating cost impact is derived from such items as efficiencies in energy consumption and avoided maintenance. These items, when viewed in terms of the total agency or program budget, generally tend to be negligible. An exception is when a very large scale project is implemented which will dramatically change these and other elements of an operating budget. In these cases, the expected change in operating expenses is quantified. An additional case in which the net change in operating cost will be quantified is where new construction will result in a significant increase in the capital asset base. In this case, the estimated effect on operating costs will be shown with the capital project when recommended for authorization. A more precise figure will be recommended in the agency's operating budget when the project has been completed which is usually several years after a capital project is authorized.



There are several categories of capital authorizations for which no estimate of operating cost impact are provided. Among these are the categories of Redevelopment Assistance, Flood Control, Transportation Assistance and flood protection projects undertaken as part of the Public Improvement category. These projects constitute improvements to the property of other entities primarily local jurisdictions such as cities, boroughs townships etc. Any change in operating costs will, therefore, be borne by an entity other than the Commonwealth. One other category of capital authorizations which will not provide a statement of operating cost impact is Highway and Bridge projects. This is because the bulk of capital spending in this category is for the rehabilitation of the existing highway network rather than the addition of new mileage. As rehabilitation takes place, previously high maintenance costs are avoided. These avoided maintenance costs are then shifted to other segments of roadway where repair needs are relatively great. As a result, the total highway operating budget experiences very little net change.

**Forecast of Future Projects** — This section contains a dollar forecast of new capital projects to be requested during each of the fiscal years 2001-02 through 2004-05. The projections are grouped by department and capital project category.

**Estimate of Capital Expenditures** — This section provides an estimate of expenditures for capital projects during each of the next five fiscal years. Since design, acquisition and construction of a project are not generally completed during the fiscal year in which the project is initiated, actual expenditures usually occur over several fiscal years. The estimated expenditures determine the amount of bonds which must be issued, or current revenue appropriations required, each fiscal year. The projections are listed by capital project category and agency and, are further subdivided by currently authorized projects, new projects proposed for 2000-01 and projects which will be authorized in the future (2001-05).

**Capital Budget Financing** — As is indicated wherever necessary, many capital projects are financed by current revenues either from dedicated sources or appropriations through operating budgets. However, most of the authorizations recommended in the capital budget are debt financed for varying terms by General Obligation Bonds. See the Public Debt Section (Section G) for further discussion of Debt Policy.

## ESTIMATED CAPITAL EXPENDITURES State Funds

This table presents summary data on the source of funding and use for currently authorized and proposed capital projects. Detailed information on debt issued for capital projects is contained in the Public Debt section of this budget document.

(Dollar Amounts in Thousands)

	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>GENERAL OBLIGATION BOND FUNDING</b>					
<b>Revenues</b>					
Capital Facilities Bonds:					
Public Improvement Projects - Buildings and Structures.....	\$ 450,000	\$ 350,000	\$ 200,000	\$ 200,000	\$ 200,000
Public Improvement Projects - Furniture and Equipment.....	70,000	30,000	28,000	30,000	30,000
Redevelopment Assistance.....	280,000	260,000	170,000	80,000	40,000
Flood Control.....	7,000	8,000	12,000	2,000	0
Transportation Assistance.....	160,000	155,000	150,000	150,000	150,000
Less: Costs of Issue.....	-14,505	-12,045	-8,400	-6,930	-4,200
Miscellaneous Revenue.....	30,178	9,500	8,413	7,906	7,361
Change in Available Cash.....	51,817	7,687	22,829	10,661	11,434
<b>Total.....</b>	<b>\$ 1,034,490</b>	<b>\$ 808,142</b>	<b>\$ 582,842</b>	<b>\$ 473,637</b>	<b>\$ 434,595</b>
<b>Expenditures</b>					
Capital Facilities Fund:					
Public Improvement Projects - Buildings and Structures.....	\$ 509,429	\$ 351,516	\$ 221,590	\$ 202,423	\$ 202,423
Public Improvement Projects - Furniture and Equipment.....	68,212	39,501	27,157	30,981	39,527
Redevelopment Assistance.....	300,000	260,000	173,000	88,000	42,000
Flood Control Projects.....	6,849	7,125	11,095	2,233	645
Transportation Assistance Projects.....	150,000	150,000	150,000	150,000	150,000
<b>Total - General Obligation Bonds.....</b>	<b>\$ 1,034,490</b>	<b>\$ 808,142</b>	<b>\$ 582,842</b>	<b>\$ 473,637</b>	<b>\$ 434,595</b>
<b>FROM CURRENT REVENUES</b>					
Public Improvement Projects - Fish and Boat Fund.....	\$ 2,103	\$ 3,103	\$ 4,103	\$ 3,750	\$ 3,750
Public Improvement Projects - Game Fund.....	0	2,000	1,000	1,000	1,000
Acquisition, Improvement and Restoration Projects - Keystone Recreation, Park and Conservation Fund.....	10,500	10,500	10,500	10,500	10,500
Acquisition, Rehabilitation and Development Projects Environmental Stewardship Fund.....	10,548	25,000	25,000	25,000	25,000
Highway Projects - Motor License Fund.....	290,759	291,994	296,651	303,985	312,214
<b>Total Current Revenues.....</b>	<b>\$ 313,910</b>	<b>\$ 332,597</b>	<b>\$ 337,254</b>	<b>\$ 344,235</b>	<b>\$ 352,464</b>
<b>TOTAL - ALL FUNDS .....</b>	<b>\$ 1,348,400</b>	<b>\$ 1,140,739</b>	<b>\$ 920,096</b>	<b>\$ 817,872</b>	<b>\$ 787,059</b>



## FORECAST OF NEW PROJECT AUTHORIZATIONS State Funds

This table provides a summary of the budget recommendations and potential future authorizations by department.

(Dollar Amounts in Thousands)

	2000-01	2001-02	2002-03	2003-04	2004-05	Total
Agriculture.....	\$ 0	\$ 1,192	\$ 1,262	\$ 1,332	\$ 1,402	\$ 5,188
Conservation and Natural Resources.....	98,785	46,764	51,985	53,207	57,428	308,169
Corrections.....	44,936	41,099	43,518	45,936	48,353	223,842
Education.....	32,395	26,837	28,415	29,994	31,573	149,214
Emergency Management Agency.....	2,760	0	0	0	0	2,760
Environmental Protection.....	4,306	10,639	10,241	10,168	10,640	45,994
Fish and Boat Commission.....	0	3,000	3,000	3,000	3,000	12,000
Game Commission.....	0	2,000	1,000	1,000	1,000	5,000
General Services.....	17,748	20,753	21,973	23,194	24,415	108,083
Historical and Museum Commission.....	1,920	17,431	18,457	19,482	20,507	77,797
Military and Veterans Affairs.....	4,102	3,785	4,008	4,230	4,453	20,578
Public Welfare.....	5,712	10,776	11,410	12,044	12,678	52,620
State Police.....	2,400	11,457	12,130	12,804	13,478	52,269
Transportation.....	387,420	237,372	267,806	298,239	308,673	1,499,510
<b>TOTAL.....</b>	<b>\$ 602,484</b>	<b>\$ 433,105</b>	<b>\$ 475,205</b>	<b>\$ 514,630</b>	<b>\$ 537,600</b>	<b>\$ 2,563,024</b>





## RECOMMENDED 2000-01 NEW PROJECT AUTHORIZATIONS STATE FUNDS

This table provides a summary of new project authorizations by department and capital program category within bond and current revenue sources.

(Dollar Amounts in Thousands)

### Capital Facilities Bond Funds

	Public Improvement Projects	Original Furniture & Equipment	Transportation Assistance Projects	Flood Control Projects
Conservation and Natural Resources.....	\$ 11,500	\$ 280	\$ 0	\$ 0
Corrections.....	43,526	0	0	0
Education.....	32,300	95	0	0
Emergency Management Agency.....	2,760	0	0	0
Environmental Protection.....	3,720	0	0	586
General Services.....	17,748	0	0	0
Historical and Museum Commission.....	1,920	0	0	0
Military and Veterans Affairs.....	4,102	0	0	0
Public Welfare.....	5,712	0	0	0
State Police.....	2,400	0	0	0
Transportation.....	4,930	0	185,452	0
<b>TOTAL.....</b>	<b>\$ 130,618</b>	<b>\$ 375</b>	<b>\$ 185,452</b>	<b>\$ 586</b>

### Current Revenues

	Highway Projects	Keystone Recreation, Park and Conservation Projects	Environmental Stewardship Projects	General Fund Projects	All Funds
Conservation and Natural Resources.....	\$ 0	\$ 22,820	\$ 64,185	\$ 0	\$ 98,785
Corrections.....	0	0	0	1,410	44,936
Education.....	0	0	0	0	32,395
Emergency Management Agency.....	0	0	0	0	2,760
Environmental Protection.....	0	0	0	0	4,306
General Services.....	0	0	0	0	17,748
Historical and Museum Commission.....	0	0	0	0	1,920
Military and Veterans Affairs.....	0	0	0	0	4,102
Public Welfare.....	0	0	0	0	5,712
State Police.....	0	0	0	0	2,400
Transportation.....	197,038	0	0	0	387,420
<b>TOTAL.....</b>	<b>\$ 197,038</b>	<b>\$ 22,820</b>	<b>\$ 64,185</b>	<b>\$ 1,410</b>	<b>\$ 602,484</b>



## DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

### Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>2000-01 PUBLIC IMPROVEMENT PROJECTS</b>				
Management of Recreational Areas and Facilities.....	\$ 95,687	\$ 2,000	\$ 1,098	\$ 98,785
<b>TOTAL PROJECTS.....</b>	<b>\$ 95,687</b>	<b>\$ 2,000</b>	<b>\$ 1,098</b>	<b>\$ 98,785</b>
<b>SOURCE OF FUNDS</b>				
<b>General Obligation Bond Issues</b>				
Capital Facilities Fund - Buildings and Structures.....	\$ 10,402	\$ 0	\$ 1,098	\$ 11,500
Capital Facilities Fund - Furniture and Equipment.....	280	0	0	280
Subtotal General Obligation Bond Issues.....	\$ 10,682	\$ 0	\$ 1,098	\$ 11,780
<b>Current Revenues</b>				
Keystone Recreation, Park and Conservation Fund - Improvements and Rehabilitation.....	\$ 20,820	\$ 2,000	\$ 0	\$ 22,820
Environmental Stewardship Fund- Acquisition, Improvements and Rehabilitation.....	64,185	0	0	64,185
Subtotal Current Revenues.....	\$ 85,005	\$ 2,000	\$ 0	\$ 87,005
<b>TOTAL.....</b>	<b>\$ 95,687</b>	<b>\$ 2,000</b>	<b>\$ 1,098</b>	<b>\$ 98,785</b>



## Department of Conservation and Natural Resources 2000-01 Projects

(Dollar Amounts in Thousands)

*This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.*

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
-------------------------	--------------	---------------------------	--------------------------

### FROM CAPITAL FACILITIES BOND FUNDS

### **PUBLIC IMPROVEMENT PROJECTS**

#### **Program: Management of Recreational Areas and Facilities**

<b>Forest District 19, Pike County</b>	\$ 417	\$ 0	\$ 83	\$ 500
REHABILITATION OF LILY POND DAM: This project will rehabilitate the dam as a water control structure on State Forest land in Milford Township. When completed, this project is not expected to change operating costs.				
<b>Fort Washington State Park, Montgomery County</b>	2,075	0	425	2,500
EXTENSION OF WATER AND SEWER LINES AND CONSTRUCTION OF MODERN COMFORT FACILITIES: This project provides for the extension of sewer and water lines to the remaining portions of the park which do not yet have services. The project also involves the construction of modern comfort stations and connection to an existing municipal system or development of on-site disposal. When completed, this project is not expected to change operating costs.				
<b>Greenwood Furnace State Park, Huntingdon County</b>	90	0	0	90
FURNITURE AND EQUIPMENT FOR DGS PROJECT 129-1, IMPROVEMENTS TO PICNIC AND CAMPING FACILITIES: This project provides necessary furniture and equipment to allow the improvements project to become operational. When completed, this project is not expected to change operating costs.				
<b>Greenwood Furnace State Park, Huntingdon County</b>	90	0	0	90
FURNITURE AND EQUIPMENT FOR DGS PROJECT 129-2, REHABILITATE PARK ADMINISTRATION AND SUPPORT FACILITIES: This project provides necessary furniture and equipment to allow the rehabilitation project to become operational. When completed, this project is not expected to change operating costs.				
<b>Leonard Harrison State Park, Tioga County</b>	1,660	0	340	2,000
DEVELOPMENT OF WATER LINES, SEWER COLLECTION SYSTEM AND CONSTRUCTION OF MODERN COMFORT STATIONS: This project provides for the development of a new water supply and distribution system, a sewage collection system and the construction of modern comfort stations. When completed, this project is not expected to change operating costs.				



# Capital Budget

## Department of Conservation and Natural Resources 2000-01 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM CAPITAL FACILITIES BOND FUNDS</b>				
<b>PUBLIC IMPROVEMENT PROJECTS</b>				
<b>Program: Management of Recreational Areas and Facilities</b>				
<b>Prince Gallitzin State Park, Cambria County</b>	\$ 1,250	\$ 0	\$ 250	\$ 1,500
PHASE FOUR, MARINA IMPROVEMENTS: This project will continue previous work to improve the marina physical plant, operations and visitor accommodations. The work proposed under this project will extend the modern docking systems, extend all utilities and improve comfort stations, day use and service facilities. When completed, this project is not expected to change operating costs.				
<b>Pymatuning State Park, Crawford County</b>	100	0	0	100
FURNITURE AND EQUIPMENT FOR DGS PROJECT 103-4, REHABILITATION OF THE LINESVILLE BOAT LIVERY: This project provides necessary moveable furniture and equipment to allow the rehabilitation project to become operational. When completed, this project is not expected to change operating costs.				
<b>Shikellamy State Park, Northumberland/Union Counties</b>	5,000	0	0	5,000
REHABILITATION OF INFLATABLE DAM: This project provides for the replacement of the five inflatable bags which constitute the dam. The dam creates Lake Augusta at Sunbury, PA. When completed, this project is not expected to change operating costs.				
<b>PROGRAM TOTAL</b> .....	<u>\$ 10,682</u>	<u>\$ 0</u>	<u>\$ 1,098</u>	<u>\$ 11,780</u>



## Department of Conservation and Natural Resources 2000-01 Projects

(Dollar Amounts in Thousands)

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
-------------------------	--------------	---------------------------	--------------------------

FROM KEYSTONE RECREATION, PARK AND CONSERVATION  
CURRENT REVENUES

### **PUBLIC IMPROVEMENT PROJECTS**

#### **Program: Management of Recreational Areas and Facilities**

<b>Bald Eagle State Park, Centre County</b>	\$ 1,406	\$ 0	\$ 0	\$ 1,406
ROAD IMPROVEMENTS: This project provides for road improvements including drainage, shoulder grading and resurfacing all major roads in the park. When completed, this project is not expected to change operating costs.				
<b>Canoe Creek State Park, Blair County</b>	300	0	0	300
SEWER LINE EXTENSION: This project will extend the sewer system to the boating area and install a modern restroom. When completed, this project is not expected to change operating costs.				
<b>Codorus State Park, York County</b>	300	0	0	300
RENOVATE PARK OFFICE: This project will reconstruct portions of the foundation, roof, heating ventilation and air conditioning systems and interior finishes. When completed, this project is not expected to change operating costs.				
<b>Colonel Denning State Park, Cumberland County</b>	350	0	0	350
UPGRADE SEWER SYSTEM: This project will upgrade collection, pumping stations and treatment systems where necessary. When completed, this project is not expected to change operating costs.				
<b>Colonel Denning State Park, Cumberland County</b>	600	0	0	600
RENOVATE WASHHOUSE AND RESTROOMS: This project will modernize park washhouse and all restrooms. When completed, this project is not expected to change operating costs.				
<b>Cook Forest State Park, Clarion County</b>	475	0	0	475
ROAD AND PARKING REHABILITATION: This project will initiate a multi-phased effort to rehabilitate all roads and parking areas in the park. When completed, this project is not expected to change operating costs.				
<b>Forest District 5, Huntingdon County</b>	750	0	0	750
RESURFACE LAUREL RUN ROAD: The project will pave Laurel Run Road. When completed, this project is not expected to change operating costs.				



## Department of Conservation and Natural Resources 2000-01 Projects

	(Dollar Amounts in Thousands)			Total Project Cost
	Base Project Cost	Land Cost	Design & Contingencies	
FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES				
<b>PUBLIC IMPROVEMENT PROJECTS (continued)</b>				
<b>Forest District 12 and 16, Lycoming and Tioga Counties</b>	\$ 2,500	\$ 0	\$ 0	\$ 2,500
PINE CREEK RAIL/TRAIL IMPROVEMENTS: This project will provide surface improvements to the trail as well as accessways and comfort and other facilities on a segment of this rail to trail project extending from Route 6 to Lock Haven. When completed, this project is not expected to change operating costs.				
<b>Hickory Run State Park, Carbon County</b>	1,500	0	0	1,500
REPLACE PARK OFFICE: This project will replace the existing park office with a more usable facility. When completed, this project is not expected to change operating costs.				
<b>Keystone State Park, Westmoreland County</b>	490	0	0	490
REHABILITATE WATER SYSTEM: This project will replace the water supply and distribution system for the park. When completed, this project is not expected to change operating costs.				
<b>Keystone State Park, Westmoreland County</b>	350	0	0	350
REHABILITATE SEWER SYSTEM: This project will rehabilitate sewer collection, pumping systems and treatment plant where necessary. When completed, this project is not expected to change operating costs.				
<b>Leonard Harrison State Park, Tioga County</b>	350	0	0	350
REPLACE RESTROOMS: This project will replace several outdated restrooms with modern facilities. When completed, this project is not expected to change operating costs.				
<b>Leonard Harrison State Park, Tioga County</b>	400	0	0	400
REPLACE PIT LATRINES: This project will replace pit latrines with modern restroom facilities as part of a continuing effort to upgrade sanitary facilities. When completed, this project is not expected to change operating costs.				
<b>Little Pine State Park, Lycoming County</b>	354	0	0	354
REPLACE PARK BRIDGE: This project will replace an existing park bridge to provide added capacity. When completed, this project is not expected to change operating costs.				
<b>Moraine State Park, Butler County</b>	470	0	0	470
MARINA PAVING: This project will pave the marina parking area. When completed, this project is not expected to change operating costs.				



## Department of Conservation and Natural Resources 2000-01 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM KEYSTONE RECREATION, PARK AND CONSERVATION</b>				
<b>CURRENT REVENUES</b>				
<b><i>PUBLIC IMPROVEMENT PROJECTS (continued)</i></b>				
<b>Moraine State Park, Butler County</b>	\$ 350	\$ 0	\$ 0	\$ 350
REHABILITATE MARINA PILINGS: This project provides for replacement, reconstruction or repairs to marina sheetpilings. When completed, this project is not expected to change operating costs.				
<b>Moraine State Park, Butler County</b>	600	0	0	600
REHABILITATE SEWAGE SYSTEM: This project will provide for the rehabilitation of the sewage collection and treatment systems. When completed, this project is not expected to change operating costs.				
<b>Nockamixon State Park, Bucks County</b>	400	0	0	400
REPLACE TOILETS: This project will replace vault toilets currently in use with modern and more efficient units. When completed, this project is not expected to change operating costs.				
<b>Ole Bull State Park, Potter County</b>	450	0	0	450
REPLACE CAUSEWAY: This project will replace the causeway over Kettle Creek between the day use area and the campground. When completed, this project is not expected to change operating costs.				
<b>Penn Roosevelt State Park, Centre County</b>	300	0	0	300
RECONSTRUCT DAM: This project will reconstruct the dam and expand spillway. When completed, this project is not expected to change operating costs.				
<b>Poe Valley State Park, Centre County</b>	500	0	0	500
MODERNIZATION OF CAMPGROUND AND RESTROOM FACILITIES: This project will upgrade campground facilities and replace pit latrines with modern restroom and shower facilities. When completed, this project is not expected to change operating costs.				
<b>Prince Gallitzin State Park, Cambria County</b>	500	0	0	500
RENOVATION OF SEWAGE TREATMENT PLANT: This project provides for the renovation of the sewage treatment facility including piping and pumping equipment. When completed, this project is not expected to change operating costs.				
<b>Promised Land State Park, Pike County</b>	750	0	0	750
REHABILITATE SEWAGE COLLECTION SYSTEM: This project provides for the rehabilitation of the sewage collection system including piping and pumping stations. This project will be implemented in several phases at different times. When completed, this project is not expected to change operating costs.				



## Department of Conservation and Natural Resources 2000-01 Projects

(Dollar Amounts in Thousands)

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
-------------------------	--------------	---------------------------	--------------------------

FROM KEYSTONE RECREATION, PARK AND CONSERVATION  
CURRENT REVENUES

### ***PUBLIC IMPROVEMENT PROJECTS (continued)***

<b>Pymatuning State Park, Crawford County</b>	\$ 875	\$ 0	\$ 0	\$ 875
BITUMINOUS PAVING: This project will continue the effort to pave with bituminous material all major park roads. When completed, this project is not expected to change operating costs.				
<b>Pymatuning State Park, Crawford County</b>	1,500	0	0	1,500
INSTALL SHORELINE EROSION PROTECTION: This project will install erosion protection for many of the sensitive areas of the lake shoreline. When completed, this project is not expected to change operating costs.				
<b>Raccoon Creek State Park, Beaver County</b>	450	0	0	450
ROAD PAVING: This project will pave the road between the park office and family cabins. When completed, this project is not expected to change operating costs.				
<b>Reeds Gap State Park, Mifflin County</b>	490	0	0	490
SWIMMING POOL REPLACEMENT: This project will replace the park pool including all plumbing, filters, pumps and surrounding day use areas as necessary. When completed, this project is not expected to change operating costs.				
<b>Shawnee State Park, Bedford County</b>	1,000	0	0	1,000
REHABILITATE PARK OFFICE: This project will rehabilitate the interior and exterior of the park office. When completed, this project is not expected to change operating costs.				
<b>Shawnee State Park, Bedford County</b>	400	0	0	400
REHABILITATE BATHHOUSE AND CONCESSION BUILDING: This project provides for upgrades to all utilities and may include finishes to interior and exterior surfaces. When completed, this project is not expected to change operating costs.				
<b>Shikellamy State Park, Northumberland County</b>	600	0	0	600
REPLACE MARINA DOCKS: This project will replace all marina docks and may include pilings and associated utilities. When completed, this project is not expected to change operating costs.				
<b>Sinnemahoning State Park, Cameron County</b>	300	0	0	300
ROAD IMPROVEMENTS: This project will rehabilitate the main park road including drainage, shoulder grading and resurfacing. When completed, this project is not expected to change operating costs.				





## Department of Conservation and Natural Resources 2000-01 Projects

(Dollar Amounts in Thousands)

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
-------------------------	--------------	---------------------------	--------------------------

FROM KEYSTONE RECREATION, PARK AND CONSERVATION  
CURRENT REVENUES

### PUBLIC IMPROVEMENT PROJECTS (continued)

<b>Sizerville State Park, Cameron and Potter Counties</b>	\$ 300	\$ 0	\$ 0	\$ 300
WATER TREATMENT UPGRADES: This project will upgrade the water treatment by installing improved filtration, modern pumps and upgraded electrical service. When completed, this project is not expected to change operating costs.				
<b>Susquehannock State Forest, Potter County</b>	0	2,000	0	2,000
LAND ACQUISITION: This project will acquire a 1,000 acre tract known as Peter's tract				
<b>Yellow Creek State Park, Indiana County</b>	460	0	0	460
ROAD RESURFACING: This project will repave the existing roadway located between the park office and day use area. When completed, this project is not expected to change operating costs.				
<b>PROGRAM TOTAL</b> .....	<u>\$ 20,820</u>	<u>\$ 2,000</u>	<u>\$ 0</u>	<u>\$ 22,820</u>



## Department of Conservation and Natural Resources 2000-01 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM ENVIRONMENTAL STEWARDSHIP FUND</b>				
<b>CURRENT REVENUES</b>				
<b><i>PUBLIC IMPROVEMENT PROJECTS (continued)</i></b>				
<b>Bald Eagle State Park, Centre County</b>	\$ 700	\$ 0	\$ 0	\$ 700
REHABILITATE VISITOR CENTER AND OFFICE: This project will renovate the interior, mechanical systems and other structural features as necessary of the park visitor center and office. When completed, this project is not expected to change operating costs.				
<b>Black Moshannon State Park, Centre County</b>	1,000	0	0	1,000
UPGRADE WATER SYSTEMS AND FACILITIES: This project will upgrade or replace the water system, water storage facilities, certain restrooms and bathhouses. When completed, this project is not expected to change operating costs.				
<b>Chapman State Park, Warren County</b>	1,170	0	0	1,170
UPGRADE LATRINES AND BATHHOUSES: This project will replace out dated latrines and bathhouses including water and sewer systems as necessary. The project will also make accessible campground and day use facilities. When completed, this project is not expected to change operating costs.				
<b>Clear Creek State Park, Jefferson County</b>	2,300	0	0	2,300
REPLACE PIT LATRINES: This project will replace pit latrines and install modern shower facilities and rehabilitate water systems. When completed, this project is not expected to change operating costs.				
<b>Codorus State Park, York County</b>	600	0	0	600
UPGRADE WATER AND SEWER SYSTEMS: This project will modernize three water systems in the park and three sewage lift stations. When completed, this project is not expected to change operating costs.				
<b>Cowans Gap State Park, Fulton County</b>	2,100	0	0	2,100
REHABILITATE CAMPING AREAS: This project will rehabilitate the campgrounds, associated washhouses and electric utilities. When completed, this project is not expected to change operating costs.				
<b>Cowans Gap State Park, Fulton County</b>	550	0	0	550
REHABILITATE SEWAGE SYSTEM: This project will rehabilitate the sewage treatment and collection system. When completed, this project is not expected to change operating costs.				



## Department of Conservation and Natural Resources 2000-01 Projects

	(Dollar Amounts in Thousands)			Total Project Cost
	Base Project Cost	Land Cost	Design & Contingencies	
FROM ENVIRONMENTAL STEWARDSHIP FUND				
CURRENT REVENUES				
<b>PUBLIC IMPROVEMENT PROJECTS (continued)</b>				
<b>Delaware Canal State Park, Bucks County</b>	\$ 1,500	\$ 0	\$ 0	\$ 1,500
REBUILD YARDLEY AQUEDUCT: This project will reconstruct the Yardley Aqueduct to historic dimensions and appearance. When completed, this project is not expected to change operating costs.				
<b>Delaware Canal State Park, Bucks County</b>	1,000	0	0	1,000
BRIDGE REPLACEMENT: This project will replace five bridges within the park. When completed, this project is not expected to change operating costs.				
<b>Delaware Canal State Park, Northampton County</b>	600	0	0	600
RECONSTRUCT FISH LADDERS: This project will reconstruct the fish ladders on the Easton and Chain Dams. When completed, this project is not expected to change operating costs.				
<b>Elk State Forest District 13, Cameron County</b>	750	0	0	750
RENOVATE DISTRICT OFFICE: This project will renovate the district office building including all interior surfaces, mechanical systems and the exterior. When completed, this project is not expected to change operating costs.				
<b>Fort Washington State Park, Montgomery County</b>	750	0	0	750
REPLACE PIT LATRINES AND SEWAGE COLLECTION SYSTEM: This project will replace the existing pit latrines with modern flush toilet systems and replace sewage collection piping where necessary. When completed, this project is not expected to change operating costs.				
<b>Frances Slocum State Park, Luzerne County</b>	400	0	0	400
REHABILITATE BRIDGE AND ROADS: This project will reconstruct the main park bridge and repave the bridge deck. When completed, this project is not expected to change operating costs.				
<b>Frances Slocum State Park, Luzerne County</b>	650	0	0	650
REPAVE PARK ROADS AND PARKING AREAS: This project will resurface park roads, parking lots and boat launch area. When completed, this project is not expected to change operating costs.				
<b>French Creek State Park, Berks and Chester Counties</b>	1,440	0	0	1,440
REHABILITATE CAMPS AND SERVICES: This project will rehabilitate the group camp sites and tenting areas, modernize shower houses and restrooms, and change water and sewage system components where necessary. When completed, this project is not expected to change operating costs.				

## Department of Conservation and Natural Resources 2000-01 Projects

	(Dollar Amounts in Thousands)			Total Project Cost
	Base Project Cost	Land Cost	Design & Contingencies	
FROM ENVIRONMENTAL STEWARDSHIP FUND				
CURRENT REVENUES				
<b><i>PUBLIC IMPROVEMENT PROJECTS (continued)</i></b>				
<b>Gifford Pinchot State Park, York County</b>	\$ 800	\$ 0	\$ 0	\$ 800
RENOVATION OF DAY USE FACILITIES: This project will renovate and modernize all day use facilities. When completed, this project is not expected to change operating costs.				
<b>Gifford Pinchot State Park, York County</b>	500	0	0	500
REHABILITATE WATER SYSTEM: This project will rehabilitate the water distribution system, treatment plant, intake and a water storage tank. When completed, this project is not expected to change operating costs.				
<b>Gifford Pinchot State Park, York County</b>	500	0	0	500
REPLACE PIT LATRINES: This project will replace all pit latrines in the moorage area, extend the sewer and water systems to the office and maintenance areas. When completed, this project is not expected to change operating costs.				
<b>Hills Creek State Park, Tioga County</b>	300	0	0	300
CAMPGROUND FACILITIES IMPROVEMENTS: This project will replace campground washhouse #109 and rehabilitate water storage tank. When completed, this project is not expected to change operating costs.				
<b>Kettle Creek State Park, Clinton County</b>	870	0	0	870
REPLACE PIT LATRINES: This project will replace all pit latrines in the day use areas and campgrounds. When completed, this project is not expected to change operating costs.				
<b>Kings Gap State Park, Cumberland County</b>	800	0	0	800
RENOVATE MAIN HOUSE: This project will renovate the main house and training center to include all mechanical systems, utilities and accessibility. When completed, this project is not expected to change operating costs.				
<b>Laurel Hill State Park, Somerset County</b>	500	0	0	500
REHABILITATE SEWAGE SYSTEM: This project will rehabilitate the sewage treatment plant, lift stations and lagoons. When completed, this project is not expected to change operating costs.				
<b>Laurel Hill State Park, Somerset County</b>	400	0	0	400
REPAVE ROAD: This project will resurface the main park road. When completed, this project is not expected to change operating costs.				



## Department of Conservation and Natural Resources 2000-01 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM ENVIRONMENTAL STEWARDSHIP FUND				
CURRENT REVENUES				
<b>PUBLIC IMPROVEMENT PROJECTS (continued)</b>				
<b>High Gorge State Park, Luzerne County</b>	\$ 1,200	\$ 0	\$ 0	\$ 1,200
BRIDGE AND TRAIL RECONSTRUCTION: This project will upgrade several bridges and multi-use trails in the park. When completed, this project is not expected to change operating costs.				
<b>Little Buffalo State Park, Perry County</b>	1,275	0	0	1,275
SWIMMING POOL REHABILITATION: This project will rehabilitate the swimming pool surfaces as well as all pumps and piping as necessary. When completed, this project is not expected to change operating costs.				
<b>Little Pine State Park, Lycoming County</b>	1,500	0	0	1,500
MODERNIZE RESTROOM AND BATH FACILITIES: This project will replace or modernize pit latrines and modernize restroom facilities, bathhouses and showerhouses to include flush units and sewage disposal. When completed, this project is not expected to change operating costs.				
<b>Lyman Run State Park, Potter County</b>	1,000	0	0	1,000
REHABILITATE LYMAN RUN DAM: This project will continue the work to stop leakage from the dam. When completed, this project is not expected to change operating costs.				
<b>Maurice K Goddard State Park, Mercer County</b>	2,000	0	0	2,000
REHABILITATE MULTI-USE TRAIL: This project will renovate bridges, resurface designated areas and create accessways to this multi-use trail. When completed, this project is not expected to change operating costs.				
<b>Memorial Lake State Park, Lebanon County</b>	600	0	0	600
REHABILITATE DAM AND DAY USE AREA: This project will rehabilitate the dam as necessary and improve the day use area. When completed, this project is not expected to change operating costs.				
<b>Moraine State Park, Butler County</b>	3,500	0	0	3,500
REHABILITATE NORTH AND SOUTH SHORE PARK ROAD: This project will resurface and rehabilitate drainage, shoulders, and guide rails on about 8.5 miles of North and South Shore Lake Road. When completed, this project is not expected to change operating costs.				



## Department of Conservation and Natural Resources 2000-01 Projects

	(Dollar Amounts in Thousands)			
	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM ENVIRONMENTAL STEWARDSHIP FUND</b>				
<b>CURRENT REVENUES</b>				
<b><i>PUBLIC IMPROVEMENT PROJECTS (continued)</i></b>				
<b>Moraine State Park, Butler County</b>	\$ 900	\$ 0	\$ 0	\$ 900
DEEPEN MARINA AREA: This project will dredge the marina, boat launch and mooring areas. When completed, this project is not expected to change operating costs.				
<b>Nockamixon State Park, Bucks County</b>	700	0	0	700
PIT LATRINE REPLACEMENT AND INSTALL FISHING PIER: This project will replace pit latrines with modern flush facilities and install a new fishing pier. When completed, this project is not expected to change operating costs.				
<b>Nockamixon State Park, Bucks County</b>	1,200	0	0	1,200
RENOVATE POOL FACILITY: This project will renovate the pool, piping, filter system and surrounding area where necessary. When completed, this project is not expected to change operating costs.				
<b>Nockamixon State Park, Bucks County</b>	1,200	0	0	1,200
MARINA REHABILITATION: This project will rehabilitate the marina and dock areas to include decking, pilings and utilities as necessary. When completed, this project is not expected to change operating costs.				
<b>Pymatuning State Park, Crawford County</b>	1,000	0	0	1,000
REPLACE PIT LATRINES: This project will replace pit latrines with modern flush systems and also provide water and sewer systems where necessary. When completed, this project is not expected to change operating costs.				
<b>Ohiopyle State Park, Fayette County</b>	550	0	0	550
RENOVATE BOATERS CHANGE HOUSE: This project will renovate the boaters change house including sewage disposal. When completed, this project is not expected to change operating costs.				
<b>Oil Creek State Park, Venango County</b>	750	0	0	750
REPLACE PIT LATRINES AND ASSOCIATED UTILITIES: This project will replace all pit latrines with flush units and install sewage disposal, water supply and electric services as necessary. When completed, this project is not expected to change operating costs.				
<b>Ole Bull State Park, Potter County</b>	750	0	0	750
REPLACE PIT LATRINES: This project will replace all pit latrines with flush units in day use areas and campgrounds and will include waste water disposal system and improved water supply. When completed, this project is not expected to change operating costs.				



## Department of Conservation and Natural Resources 2000-01 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM ENVIRONMENTAL STEWARDSHIP FUND				
CURRENT REVENUES				
<b>PUBLIC IMPROVEMENT PROJECTS (continued)</b>				
<b>Penn Nursery, Centre County</b>	\$ 1,500	\$ 0	\$ 0	\$ 1,500
EXPAND AND RENOVATE OFFICE: This project will renovate the office building including all interior surfaces, mechanical systems and the exterior. This project will also construct an addition to the building. When completed, this project is not expected to change operating costs.				
<b>Poe Valley State Park, Centre County</b>	850	0	0	850
REPLACE PIT LATRINES: This project will replace all pit latrines with flush units in day use areas and campgrounds and will include waste water disposal system and improved water supply. When completed, this project is not expected to change operating costs.				
<b>Presque Isle State Park, Erie County</b>	900	0	0	900
RENOVATE PARK OFFICE: This project will renovate the park office building including all interior surfaces, mechanical systems and the exterior. When completed, this project is not expected to change operating costs.				
<b>Prince Gallitzen, Cambria County</b>	1,600	0	0	1,600
REHABILITATE SHOWER HOUSES: This project will rehabilitate campgrounds and shower houses throughout the park. When completed, this project is not expected to change operating costs.				
<b>Prince Gallitzen, Cambria County</b>	1,000	0	0	1,000
REHABILITATE SEWER SYSTEM: This project will upgrade sewer lines and manholes throughout the park. When completed, this project is not expected to change operating costs.				
<b>Pymatuning State Park, Crawford County</b>	800	0	0	800
REPLACE DOCKS AT JAMESTOWN BOAT LIVERY: This project will replace the docking facilities and upgrade utilities at the Jamestown Livery. When completed, this project is not expected to change operating costs.				
<b>Robb Winter State Park, Union County</b>	1,950	0	0	1,950
REPLACE PIT LATRINES: This project will replace pit latrines with modern flush systems and also install shower facilities in the campground. When completed, this project is not expected to change operating costs.				
<b>Raccoon Creek State Park, Beaver County</b>	1,700	0	0	1,700
REHABILITATE WATER SYSTEM: This project will rehabilitate the water supply and distribution system throughout the park where necessary. When completed, this project is not expected to change operating costs.				



## Department of Conservation and Natural Resources 2000-01 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM ENVIRONMENTAL STEWARDSHIP FUND</b>				
<b>CURRENT REVENUES</b>				
<b><i>PUBLIC IMPROVEMENT PROJECTS (continued)</i></b>				
<b>Raccoon Creek State Park, Beaver County</b>	\$ 1,000	\$ 0	\$ 0	\$ 1,000
REHABILITATE SEWER SYSTEM: This project will rehabilitate the sewage collection, treatment and waste water disposal systems where necessary. When completed, this project is not expected to change operating costs.				
<b>Ricketts Glen State Park, Luzerne County</b>	1,300	0	0	1,300
REHABILITATE PARK INFRASTRUCTURE: This project will rehabilitate day use areas, resurface roadways and upgrade sewer facilities where necessary throughout the park. When completed, this project is not expected to change operating costs.				
<b>Ricketts Glen State Park, Luzerne County</b>	1,100	0	0	1,100
RENOVATE VISITOR CENTER AND OFFICE: This project will renovate all system in the visitor center and office building. When completed, this project is not expected to change operating costs.				
<b>Shawnee State Park, Bedford County</b>	1,200	0	0	1,200
REPLACE SEWAGE LIFT STATIONS: This project will replace seven sewage lift stations with upgraded pumps and piping. When completed, this project is not expected to change operating costs.				
<b>Shawnee State Park, Bedford County</b>	600	0	0	600
REHABILITATE SEWAGE TREATMENT PLANT: This project will upgrade the sewage treatment facility and increase capacity. When completed, this project is not expected to change operating costs.				
<b>Shikellamy State Park, Northumberland County</b>	770	0	0	770
REHABILITATION OF INFLATABLE DAM: This project provides for the replacement of two of the five inflatable bags which constitute the dam. The dam creates Lake Augusta at Sunbury, PA. When completed, this project is not expected to change operating costs.				
<b>Susquehannock State Forest, Potter County</b>	750	0	0	750
RENOVATE OFFICE BUILDING: This project will renovate the office building including all interior surfaces, mechanical systems and the exterior where necessary. When completed, this project is not expected to change operating costs.				





## Department of Conservation and Natural Resources 2000-01 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM ENVIRONMENTAL STEWARDSHIP FUND				
CURRENT REVENUES				
<b><i>PUBLIC IMPROVEMENT PROJECTS (continued)</i></b>				
<b>Tiadaghton State Forest, Lycoming and Tioga Counties</b>	\$ 2,000	\$ 0	\$ 0	\$ 2,000
REHABILITATE PINE CREEK TRAIL: This project will renovate bridges, resurface designated areas and create accessways to this multi-use trail. When completed, this project is not expected to change operating costs.				
<b>Tiadaghton State Forest, Lycoming County</b>	1,500	0	0	1,500
RENOVATE/RECONSTRUCT OFFICE BUILDING: This project will renovate/reconstruct the office building including all interior surfaces, mechanical systems foundation and the exterior where necessary. When completed, this project is not expected to change operating costs.				
<b>Tioga State Forest, Tioga County</b>	700	0	0	700
RENOVATE OFFICE BUILDING: This project will renovate the office building including all interior surfaces, mechanical systems and the exterior where necessary. When completed, this project is not expected to change operating costs.				
<b>Tuscarora State Forest, Perry County</b>	750	0	0	750
EXPAND AND RENOVATE OFFICE: This project will renovate the office building including all interior surfaces, mechanical systems and the exterior. This project will also construct an addition to the building. When completed, this project is not expected to change operating costs.				
<b>Tyler State Park, Bucks County</b>	500	0	0	500
RESURFACING PARK ROADS AND PARKING: This project will resurface park roads, parking areas and trails where necessary. When completed, this project is not expected to change operating costs.				
<b>Worlds End State Park, Sullivan County</b>	2,560	0	0	2,560
REPLACE PIT LATRINES: This project will replace pit latrines with modern flush systems and also install shower facilities in the campground. The project will also provide upgrades to the sewer and water systems and rehabilitate day use areas. When completed, this project is not expected to change operating costs.				
<b>Yellow Creek State Park, Indiana County</b>	850	0	0	850
REHABILITATE SEWER SYSTEM: This project will upgrade sewer lines and manholes throughout the park. When completed, this project is not expected to change operating costs.				
<b>PROGRAM TOTAL</b> .....	<u>\$ 64,185</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 64,185</u>



## DEPARTMENT OF CORRECTIONS

### Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>2000-01 PUBLIC IMPROVEMENT PROJECTS</b>				
Institutionalization of Offenders.....	\$ 37,380	\$ 0	\$ 7,556	\$ 44,936
<b>TOTAL PROJECTS.....</b>	<b>\$ 37,380</b>	<b>\$ 0</b>	<b>\$ 7,556</b>	<b>\$ 44,936</b>
<b>SOURCE OF FUNDS</b>				
<b>General Obligation Bond Issues</b>				
Capital Facilities Fund - Buildings and Structures.....	\$ 36,205	\$ 0	\$ 7,321	\$ 43,526
<b>Current Revenues</b>				
General Fund - Buildings and Structures.....	1,175	0	235	1,410
<b>TOTAL.....</b>	<b>\$ 37,380</b>	<b>\$ 0</b>	<b>\$ 7,556</b>	<b>\$ 44,936</b>



## Department of Corrections 2000-01 Projects

(Dollar Amounts in Thousands)

*This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.*

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
-------------------	-----------	------------------------	--------------------

### FROM CAPITAL FACILITIES BOND FUNDS

### **PUBLIC IMPROVEMENT PROJECTS**

#### **Program: Institutionalization of Offenders**

<b>State Correctional Institution at Cambridge Springs</b>	\$ 1,600	\$ 0	\$ 400	\$ 2,000
INSTALL EMERGENCY GENERATOR, SWITCHGEAR AND PERIMETER LIGHTING: This project will install an emergency generator, automatic switchgear to engage the generator and will construct approximately 4,000 linear feet of perimeter lighting. The lighting portion of this project will also include the adjacent parking lot. When completed, this project is not expected to change operating costs.				
<b>State Correctional Institution at Cresson</b>	3,630	0	726	4,356
ELECTRICAL SYSTEM UPGRADES: This project will upgrade the electrical system to include automatic switching to back-up generating capacity, new high voltage cabling throughout the institution and install automatic primary selector switches to all buildings. The project will also provide a second main electrical feed into the institution. When completed, this project is not expected to change operating costs.				
<b>State Correctional Institution at Graterford</b>	10,850	0	2,170	13,020
SECURITY UPGRADES: This project will install several security upgrades including steel bar grates over all skylight openings, electrically operated sliding grille gates in corridors and housing units, additional closed circuit television and the replacement of approximately 2,000 doors and locks. When completed, this project is not expected to change operating costs.				
<b>State Correctional Institution at Graterford</b>	5,600	0	1,120	6,720
CONSTRUCTION OF A 148 BED HOUSING UNIT: This project will construct a masonry building with a capacity of approximately 148 beds to conduct drug and alcohol treatment. This building will replace the existing wooden modular unit. The building will consist of dormitory style housing with meeting areas, bath and laundry facilities. When completed, this project is not expected to change operating costs.				
<b>State Correctional Institution at Huntingdon</b>	644	0	129	773
REPOINT AND SEAL PERIMETER BRICK WALL: This project will repoint and apply a waterproofing agent to the perimeter brick wall. This is necessary because the materials used in construction are very susceptible to deterioration by the elements. The bricks are soft and the mortar does not contain portland cement. When completed, this project is not expected to change operating costs.				



## Department of Corrections 2000-01 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM CAPITAL FACILITIES BOND FUNDS</b>				
<b><i>PUBLIC IMPROVEMENT PROJECTS (continued)</i></b>				
<b>State Correctional Institution at Huntingdon</b>	\$ 5,600	\$ 0	\$ 1,120	\$ 6,720
CONSTRUCTION OF A 148 BED HOUSING UNIT: This project will construct a 25,000 sq. ft. building with a capacity of approximately 148 beds. This building will replace two modular units at the end of life expectancy. When completed, this project is not expected to change operating costs.				
<b>State Regional Correctional Facility at Mercer</b>	2,688	0	538	3,226
ELECTRICAL SYSTEM UPGRADES: This project will upgrade the electrical system to include automatic switching to back-up generating capacity, new high voltage cabling throughout the institution and install automatic primary selector switches to all buildings. When completed, this project is not expected to change operating costs.				
<b>State Correctional Institution at Pittsburgh</b>	1,001	0	200	1,201
RECONSTRUCT AND STABILIZE PERIMETER WALL: This project will reconstruct the wall and catwalks in the areas of towers three and six where it is failing. The project will also stabilize the wall in areas where subsidence or leaning is noted. When completed, this project is not expected to change operating costs.				
<b>State Correctional Institution at Rockview</b>	3,360	0	672	4,032
CONSTRUCTION OF AN ADDITION TO THE RESTRICTED HOUSING UNIT: This project will construct a thirty unit single level restricted housing unit to add capacity to the existing housing unit. The new construction will be consistent with the existing construction. When completed, this project is expected to increase operating costs by \$250,000 annually.				
<b>State Correctional Institution at Rockview</b>	1,232	0	246	1,478
NEW BOILER AND BOILER HOUSE RENOVATIONS: This project will install a new 60,000 lbs./hr. package boiler and the necessary boiler house renovations. When completed, this project is not expected to change operating costs.				
<b>PROGRAM TOTAL.....</b>	<b>\$ 36,205</b>	<b>\$ 0</b>	<b>\$ 7,321</b>	<b>\$ 43,526</b>



## Department of Corrections 2000-01 Projects

(Dollar Amounts in Thousands)

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
-------------------------	--------------	---------------------------	--------------------------

FROM GENERAL FUND  
CURRENT REVENUES

### **PUBLIC IMPROVEMENT PROJECTS**

<b>State Correctional Institution at Greene</b>	\$ 500	\$ 0	\$ 100	\$ 600
---	--------	------	--------	--------

INSTALLATION OF PERIMETER FENCE: This project will construct a new outside fence of approximately 2,000 linear feet surrounding the level two housing unit. The fence will be 14 foot high and will include a sliding gate for vehicular traffic and a gate for pedestrian traffic. Gates will be controlled and monitored from an inside officer station. When completed, this project is not expected to change operating costs.

<b>State Regional Correctional Facility at Mercer</b>	675	0	135	810
---	-----	---	-----	-----

INSTALLATION OF PERIMETER FENCE: This project will construct a new outside fence of approximately 4,500 linear feet surrounding the institution. The fence will be 14 foot high and will include a sliding gate for vehicular traffic and a gate for pedestrian traffic. Gates will be controlled and monitored from an inside officer station. When completed, this project is not expected to change operating costs.

PROGRAM TOTAL.....	\$ 1,175	\$ 0	\$ 235	\$ 1,410
--------------------	----------	------	--------	----------



## DEPARTMENT OF EDUCATION

### Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>2000-01 PUBLIC IMPROVEMENT PROJECTS</b>				
State Owned Schools.....	\$ 417	\$ 0	\$ 83	\$ 500
Higher Education - State-Related Universities.....	28,067	0	1,733	29,800
Higher Education - State System of Higher Education.....	1,762	0	333	2,095
<b>TOTAL PROJECTS.....</b>	<b>\$ 30,246</b>	<b>\$ 0</b>	<b>\$ 2,149</b>	<b>\$ 32,395</b>
<b>SOURCE OF FUNDS</b>				
<b>General Obligation Bond Issues</b>				
Capital Facilities Fund - Buildings and Structures.....	\$ 30,151	\$ 0	\$ 2,149	\$ 32,300
Capital Facilities Fund - Furniture and Equipment.....	95	0	0	95
<b>TOTAL.....</b>	<b>\$ 30,246</b>	<b>\$ 0</b>	<b>\$ 2,149</b>	<b>\$ 32,395</b>



## Department of Education 2000-01 Projects

This section provides a brief description of each recommended project, its location and cost components. Operating cost impacts are not provided for these projects since these costs are borne by the operating budget of each university.

(Dollar Amounts in Thousands)

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
-------------------	-----------	------------------------	--------------------

### FROM CAPITAL FACILITIES BOND FUNDS

### PUBLIC IMPROVEMENT PROJECTS

#### Program: State Owned Schools

##### Thaddeus Stevens College of Technology

\$ 417	\$ 0	\$ 83	\$ 500
--------	------	-------	--------

ADDITIONAL FUNDS FOR DGS PROJECT 417-31, RENOVATION OF FIRE TOWERS AT BRENNER HALL: This project will renovate two fire towers at Brenner Hall which is currently used for dormitory space. This additional funding will increase the total investment in this project to \$1 million. When completed, this project is not expected to change operating costs.

PROGRAM TOTAL.....	<u>\$ 417</u>	<u>\$ 0</u>	<u>\$ 83</u>	<u>\$ 500</u>
--------------------	---------------	-------------	--------------	---------------

#### Program: Higher Education - State Related Universities

##### Lincoln University

\$ 2,400	\$ 0	\$ 600	\$ 3,000
----------	------	--------	----------

COMMUNICATIONS AND ELECTRICAL DISTRIBUTION SYSTEM REPLACEMENT: This project will replace and upgrade underground cabling and switchgear, conduit, manholes and lighting where necessary.

##### The Pennsylvania State University

20,000	0	0	20,000
--------	---	---	--------

CAPITAL RENEWAL AT UNIVERSITY PARK CAMPUS: This project will upgrade or renovate electrical and mechanical systems in major academic, research and administrative buildings. Where necessary, this project will renovate the structural aspects of buildings as well.

##### Temple University

5,667	0	1,133	6,800
-------	---	-------	-------

RENOVATION OF BARTON HALL: This project will renovate Barton Hall currently used for the physics curriculum. The renovation will allow for the integration of laboratory and lecture space as well as upgraded electrical and mechanical systems, computer stations and projection systems.

PROGRAM TOTAL.....	<u>\$ 28,067</u>	<u>\$ 0</u>	<u>\$ 1,733</u>	<u>\$ 29,800</u>
--------------------	------------------	-------------	-----------------	------------------



## Department of Education 2000-01 Projects

(Dollar Amounts in Thousands)

*This section provides a brief description of each recommended project, its location and cost components. Operating cost impacts are not provided for these projects since these costs are borne by the operating budget of each university.*

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
-------------------	-----------	------------------------	--------------------

### FROM CAPITAL FACILITIES BOND FUNDS

### **PUBLIC IMPROVEMENT PROJECTS**

#### **Program: Higher Education - State System of Higher Education**

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>Cheyney University</b>	\$ 30	\$ 0	\$ 0	\$ 30
FURNITURE AND EQUIPMENT FOR DGS PROJECT TO RENOVATE MELROSE HOSPITALITY CENTER: This will purchase necessary movable furniture and equipment to allow the construction project to become operational.				
FURNITURE AND EQUIPMENT FOR DGS PROJECT TO RENOVATE THE ADA GEORGES DINING HALL: This will purchase necessary movable furniture and equipment to allow the construction project to become operational.	65	0	0	65
DEMOLITION OF EVANGELINE RACHEL HALL EDUCATION BUILDING AND WATER TOWER: This project will demolish Evangeline Rachel Hall Education Building, all supporting structures and restore the site. Rachel Hall is no longer needed to support the University's educational program. The project will also include demolition of a water tower adjacent to Rachel Hall. When completed, this project is not expected to change operating costs.	1,667	0	333	2,000
<b>PROGRAM TOTAL</b> .....	<u>\$ 1,762</u>	<u>\$ 0</u>	<u>\$ 333</u>	<u>\$ 2,095</u>





## EMERGENCY MANAGEMENT AGENCY

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>2000-01 PUBLIC IMPROVEMENT PROJECTS</b>				
Fire Prevention and Safety.....	\$ 2,300	\$ 0	\$ 460	\$ 2,760
<b>TOTAL PROJECTS.....</b>	<u>\$ 2,300</u>	<u>\$ 0</u>	<u>\$ 460</u>	<u>\$ 2,760</u>
<b>SOURCE OF FUNDS</b>				
<b>General Obligation Bond Issues</b>				
Capital Facilities Fund - Buildings and Structures.....	\$ 2,300	\$ 0	\$ 460	\$ 2,760
<b>TOTAL.....</b>	<u>\$ 2,300</u>	<u>\$ 0</u>	<u>\$ 460</u>	<u>\$ 2,760</u>



## Emergency Management Agency 2000-01 Projects

This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.

(Dollar Amounts in Thousands)

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
-------------------------	--------------	---------------------------	--------------------------

**FROM CAPITAL FACILITIES BOND FUNDS**

**PUBLIC IMPROVEMENT PROJECTS**

**Program: Fire Prevention and Safety**

**Support Facilities at State Fire Academy, Mifflin County**

RECONSTRUCT AND UPGRADE SUPPORT FACILITIES AT THE STATE FIRE ACADEMY: This project will upgrade the roof and renovate the restrooms at the administration building; reconstruct the foundation and refinish interior walls and floors of the auditorium; and, reconstruct the roof slab and supports of the service storage building. This project will also increase the electric service into the Academy and increase parking capacity. When completed, this project is not expected to change operating costs.

\$ 2,300	\$ 0	\$ 460	\$ 2,760
----------	------	--------	----------

PROGRAM TOTAL.....

<u>\$ 2,300</u>	<u>\$ 0</u>	<u>\$ 460</u>	<u>\$ 2,760</u>
-----------------	-------------	---------------	-----------------



## DEPARTMENT OF ENVIRONMENTAL PROTECTION

### Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>2000-01 PUBLIC IMPROVEMENT PROJECTS</b>				
Environmental Protection and Management.....	\$ 3,100	\$ 0	\$ 620	\$ 3,720
<b>FLOOD CONTROL PROJECTS</b>				
Environmental Protection and Management.....	\$ 586	\$ 0	\$ 0	\$ 586
<b>TOTAL PROJECTS.....</b>	<b>\$ 3,686</b>	<b>\$ 0</b>	<b>\$ 620</b>	<b>\$ 4,306</b>
<b>SOURCE OF FUNDS</b>				
<b>General Obligation Bond Issues</b>				
Capital Facilities Fund - Buildings and Structures.....	\$ 3,686	\$ 0	\$ 620	\$ 4,306
<b>TOTAL.....</b>	<b>\$ 3,686</b>	<b>\$ 0</b>	<b>\$ 620</b>	<b>\$ 4,306</b>



## Department of Environmental Protection 2000-01 Projects

(Dollar Amounts in Thousands)

*This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.*

Base Project Cost	Land Cost	Design & Contingencies	Project Cost
-------------------------	--------------	---------------------------	-----------------

### FROM CAPITAL FACILITIES BOND FUNDS

### **PUBLIC IMPROVEMENT PROJECTS**

#### **Program: Environmental Protection and Management**

##### **Ashley Borough, Luzerne County**

\$ 2,100	\$ 0	\$ 420	\$ 2,520
----------	------	--------	----------

INSTALLATION OF RECTANGULAR CONCRETE CHANNEL ON SULFUR RUN: This project will install a concrete channel along 2,500 feet of a tributary of Solomon Creek, locally known as Sulfur Run. The project will begin upstream of Main Street in Ashley Borough and continue downstream to Solomon Run. Since the locality is responsible for all maintenance costs after construction, there will be no change in State operating costs.

##### **Dupont, Avoca and Duryea Boroughs, Luzerne County**

1,000	0	200	1,200
-------	---	-----	-------

ADDITIONAL FUNDS FOR DGS PROJECT 184-23 CONSTRUCTION OF CONCRETE CHANNEL FOR MILL CREEK AND TRIBUTARIES: These funds will allow this project to proceed with construction and installation of a concrete channel on Mill Creek. These additional funds will increase the total investment in this project to \$9.6 million. Since the localities will be responsible for maintenance after construction, there will be no change in State operating costs.

PROGRAM TOTAL.....

<u>\$ 3,100</u>	<u>\$ 0</u>	<u>\$ 620</u>	<u>\$ 3,720</u>
-----------------	-------------	---------------	-----------------



## Department of Environmental Protection 2000-01 Projects

(Dollar Amounts in Thousands)

	Project Cost	Land Cost	Design & Contingencies	Project Cost
<b>FROM CAPITAL FACILITIES BOND FUNDS</b>				
<b>FLOOD CONTROL PROJECTS</b>				
<b>Program: Environmental Protection and Management</b>				
<b>Benson Borough Federal Flood Control Project, Somerset County</b>	\$ 260	\$ 0	\$ 0	\$ 260
<p>ADDITIONAL FUNDS FOR THE BENSON FEDERAL FLOOD CONTROL PROJECT: This project will provide additional funding for the State financial commitment which is generally 50% of the non-Federal cost. This increase is required as a result of revised cost estimates by the U.S. Corps of Engineers. This additional funding increases the total State commitment to the project to \$742,500. Since the project will be maintained by the locality, there will be no change in State operating costs.</p>				
<b>Hooversville Borough Federal Flood Control Project, Somerset County</b>	326	0	0	326
<p>ADDITIONAL FUNDS FOR THE HOOVERSVILLE FEDERAL FLOOD CONTROL PROJECT: This project will provide additional funding for the State financial commitment which is generally 50% of the non-Federal cost. This increase is required as a result of revised cost estimates by the U.S. Corps of Engineers. This additional funding increases the total State commitment to the project to \$931,000. Since the project will be maintained by the locality, there will be no change in State operating costs.</p>				
<b>PROGRAM TOTAL.....</b>	<u>\$ 586</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 586</u>

## DEPARTMENT OF GENERAL SERVICES

### Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>2000-01 PUBLIC IMPROVEMENT PROJECTS</b>				
Facility, Property and Commodity Management.....	\$ 14,790	\$ 0	\$ 2,958	\$ 17,748
<b>TOTAL PROJECTS.....</b>	<b>\$ 14,790</b>	<b>\$ 0</b>	<b>\$ 2,958</b>	<b>\$ 17,748</b>
<b>SOURCE OF FUNDS</b>				
<b>General Obligation Bond Issues</b>				
Capital Facilities Fund - Buildings and Structures.....	\$ 14,790	\$ 0	\$ 2,958	\$ 17,748
<b>TOTAL.....</b>	<b>\$ 14,790</b>	<b>\$ 0</b>	<b>\$ 2,958</b>	<b>\$ 17,748</b>



## Department of General Services 2000-01 Projects

(Dollar Amounts in Thousands)

*This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.*

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
-------------------	-----------	------------------------	--------------------

**FROM CAPITAL FACILITIES BOND FUNDS**

**PUBLIC IMPROVEMENT PROJECTS**

**Program: Facility, Property and Commodity Management**

**Capitol Area Buildings**

\$ 2,390	\$ 0	\$ 478	\$ 2,868
----------	------	--------	----------

RENOVATIONS TO THE ARSENAL AND TENT BUILDINGS AT THE PUBLIC WORKS COMPLEX: This project will renovate the 2nd and 3rd floors of the Arsenal Building and the basement of the Tent Building into efficient office space. The project will also upgrade electrical service for the entire complex; upgrade the HVAC in the Arsenal Building; upgrade some plumbing and expand and resurface parking area. When completed, this project is not expected to change operating costs.

**Capitol Complex**

10,000	0	2,000	12,000
--------	---	-------	--------

CONNECT THE FINANCE AND FORUM BUILDINGS TO THE CENTRAL REFRIGERATION PLANT: This project will convert the buildings to a duct system to distribute chilled air and install a four pipe system to connect the central plant. When completed, this project is not expected to change operating costs.

REPLACEMENT OF ROOF AND RAIN LEADERS AND RECONSTRUCT PARAPET ON SOUTH OFFICE BUILDING: This project will replace the roof and rebuild the parapet to eliminate water intrusion into the interior of the building. When completed, this project is not expected to change operating costs.

1,500	0	300	1,800
-------	---	-----	-------

FOUNDATION WATERPROOFING OF HEALTH AND WELFARE BUILDING: This project will seal the foundation against water infiltration and reconstruct where necessary. When completed, this project is not expected to change operating costs.

500	0	100	600
-----	---	-----	-----

**Lt. Governor's Residence, Lebanon County**

400	0	80	480
-----	---	----	-----

UPGRADES TO THE SMOKE DETECTION, FIRE ALARM AND SECURITY SYSTEMS. This project will provide improved fire and smoke detection equipment and integrate alarms with the local response system. The project will also upgrade the security system to prevent unauthorized access. When completed, this project is expected to increase operating costs by \$10,000 annually.

PROGRAM TOTAL.....

<u>\$ 14,790</u>	<u>\$ 0</u>	<u>\$ 2,958</u>	<u>\$ 17,748</u>
------------------	-------------	-----------------	------------------



## HISTORICAL AND MUSEUM COMMISSION

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>2000-01 PUBLIC IMPROVEMENT PROJECTS</b>				
State Historic Preservation.....	\$ 1,600	\$ 0	\$ 320	\$ 1,920
<b>TOTAL PROJECTS.....</b>	<u>\$ 1,600</u>	<u>\$ 0</u>	<u>\$ 320</u>	<u>\$ 1,920</u>
<b>SOURCE OF FUNDS</b>				
<b>General Obligation Bond Issues</b>				
Capital Facilities Fund - Buildings and Structures.....	\$ 1,600	\$ 0	\$ 320	\$ 1,920
<b>TOTAL.....</b>	<u>\$ 1,600</u>	<u>\$ 0</u>	<u>\$ 320</u>	<u>\$ 1,920</u>





## Historical and Museum Commission 2000-01 Projects

(Dollar Amounts in Thousands)

*This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.*

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
-------------------	-----------	------------------------	--------------------

**FROM CAPITAL FACILITIES BOND FUNDS**

**PUBLIC IMPROVEMENT PROJECTS**

**Program: State Historic Preservation**

**Daniel Boone Homestead, Berks County**

\$ 600	\$ 0	\$ 120	\$ 720
--------	------	--------	--------

CONSTRUCT PERMANENT EXHIBITS: This project will construct orientation exhibits consisting of panels, graphics, videos, models and other suitable interpretive devices. When completed, this project is not expected to change operating costs.

**Old Economy Village, Beaver County**

1,000	0	200	1,200
-------	---	-----	-------

SITE IMPROVEMENTS AND MECHANICAL BUILDING SYSTEMS UPGRADES: This project will refinish the exteriors of various buildings on the site, provide structural stabilization where necessary and upgrade water, sewer, electrical, heating and security systems. When completed, this project is not expected to change operating costs.

PROGRAM TOTAL.....

<u>\$ 1,600</u>	<u>\$ 0</u>	<u>\$ 320</u>	<u>\$ 1,920</u>
-----------------	-------------	---------------	-----------------



## DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

### Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>2000-01 PUBLIC IMPROVEMENT PROJECTS</b>				
Veterans Homes and School.....	\$ 3,418	\$ 0	\$ 684	\$ 4,102
<b>TOTAL PROJECTS.....</b>	<b>\$ 3,418</b>	<b>\$ 0</b>	<b>\$ 684</b>	<b>\$ 4,102</b>
<b>SOURCE OF FUNDS</b>				
<b>General Obligation Bond Issues</b>				
Capital Facilities Fund - Buildings and Structures.....	\$ 3,418	\$ 0	\$ 684	\$ 4,102
<b>TOTAL.....</b>	<b>\$ 3,418</b>	<b>\$ 0</b>	<b>\$ 684</b>	<b>\$ 4,102</b>



## Department of Military and Veterans Affairs 2000-01 Projects

(Dollar Amounts in Thousands)

*This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.*

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
-------------------------	--------------	---------------------------	--------------------------

**FROM CAPITAL FACILITIES BOND FUNDS**

**PUBLIC IMPROVEMENT PROJECTS**

**Program: Veterans Homes and School**

<p><b>Scotland School for Veterans' Children, Franklin County</b>  <b>RENOVATION OF MAIN SCHOOL BUILDING AND NINE COTTAGES:</b> This project will install one hydraulic elevator for access, window replacement, electrical upgrades, heating system improvements, plumbing and restroom renovations. In addition, the project will replace roofs and upgrade plumbing and restrooms in the nine cottages which provide student housing. When completed, this project is not expected to change operating costs.</p>	<p>\$ 3,418</p>	<p>\$ 0</p>	<p>\$ 684</p>	<p>\$ 4,102</p>
--	-----------------	-------------	---------------	-----------------

PROGRAM TOTAL.....	<u>\$ 3,418</u>	<u>\$ 0</u>	<u>\$ 684</u>	<u>\$ 4,102</u>
--------------------	-----------------	-------------	---------------	-----------------



## DEPARTMENT OF PUBLIC WELFARE

### Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>2000-01 PUBLIC IMPROVEMENT PROJECTS</b>				
Mental Health.....	\$ 2,400	\$ 0	\$ 480	\$ 2,880
Mental Retardation.....	960	0	192	1,152
Human Services.....	1,400	0	280	1,680
<b>TOTAL PROJECTS.....</b>	<b>\$ 4,760</b>	<b>\$ 0</b>	<b>\$ 952</b>	<b>\$ 5,712</b>
<b>SOURCE OF FUNDS</b>				
<b>General Obligation Bond Issues</b>				
Capital Facilities Fund - Buildings and Structures.....	\$ 4,760	\$ 0	\$ 952	\$ 5,712
<b>TOTAL.....</b>	<b>\$ 4,760</b>	<b>\$ 0</b>	<b>\$ 952</b>	<b>\$ 5,712</b>



## Department of Public Welfare 2000-01 Projects

This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FROM CAPITAL FACILITIES BOND FUNDS</b>				
<b>PUBLIC IMPROVEMENT PROJECTS</b>				
<b>Program: Mental Health</b>				
<b>Norristown State Hospital, Montgomery County</b>	\$ 2,400	\$ 0	\$ 480	\$ 2,880
<b>INSTALL SECURITY FENCE AND AIR CONDITIONING AT FORENSIC UNIT:</b> This project will enhance perimeter security at the adult forensic unit by installing a single fence around the building along with electronic sensor and camera systems. In addition, the project will install central air conditioning in the building. When completed, this project is expected to increase operating costs by about \$36,000 annually.				
<b>PROGRAM TOTAL</b> .....	<u>\$ 2,400</u>	<u>\$ 0</u>	<u>\$ 480</u>	<u>\$ 2,880</u>
<b>Program: Mental Retardation</b>				
<b>Ebensburg Center, Cambria County</b>	\$ 960	\$ 0	\$ 192	\$ 1,152
<b>PRIMARY ELECTRICAL UPGRADE:</b> This project will upgrade the primary feed to 15 KV and refurbish where necessary the distribution system. When completed, this project is not expected to change operating costs.				
<b>PROGRAM TOTAL</b> .....	<u>\$ 960</u>	<u>\$ 0</u>	<u>\$ 192</u>	<u>\$ 1,152</u>
<b>Program: Human Services</b>				
<b>Southwest Secure Treatment Unit, Westmoreland County</b>	\$ 1,400	\$ 0	\$ 280	\$ 1,680
<b>RENOVATION OF HVAC SYSTEMS IN THE WISEMAN BUILDING:</b> This project will renovate heating, ventilating and air conditioning systems in the Wiseman building. When completed, this project is expected to increase operating costs by about \$12,000 annually.				
<b>PROGRAM TOTAL</b> .....	<u>\$ 1,400</u>	<u>\$ 0</u>	<u>\$ 280</u>	<u>\$ 1,680</u>



## STATE POLICE

### Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>2000-01 PUBLIC IMPROVEMENT PROJECTS</b>				
Public Protection and Law Enforcement.....	\$ 2,000	\$ 0	\$ 400	\$ 2,400
<b>TOTAL PROJECTS.....</b>	<b>\$ 2,000</b>	<b>\$ 0</b>	<b>\$ 400</b>	<b>\$ 2,400</b>
<b>SOURCE OF FUNDS</b>				
<b>General Obligation Bond Issues</b>				
Capital Facilities Fund - Buildings and Structures.....	\$ 2,000	\$ 0	\$ 400	\$ 2,400
<b>TOTAL.....</b>	<b>\$ 2,000</b>	<b>\$ 0</b>	<b>\$ 400</b>	<b>\$ 2,400</b>



## State Police 2000-01 Projects

(Dollar Amounts in Thousands)

*This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.*

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
-------------------------	--------------	---------------------------	--------------------------

**FROM CAPITAL FACILITIES BOND FUNDS**

**PUBLIC IMPROVEMENT PROJECTS**

**Program: Public Protection and Law Enforcement**

**Hollidaysburg Headquarters, Blair County**

\$ 2,000	\$ 0	\$ 400	\$ 2,400
----------	------	--------	----------

ADDITIONAL FUNDS FOR DGS PROJECT 201-3 FOR THE CONSTRUCTION OF A NEW HEADQUARTERS BUILDING: This project will provide additional funding to construct a new building rather than, as initially authorized, renovate and expand the existing structure. The additional funds will also provide for the demolition of the existing headquarters, and the construction of a new garage and parking area improvements. This additional funding will increase the investment in this project to \$6 million. When completed, this project is not expected to change operating costs.

PROGRAM TOTAL.....

<u>\$ 2,000</u>	<u>\$ 0</u>	<u>\$ 400</u>	<u>\$ 2,400</u>
-----------------	-------------	---------------	-----------------



## DEPARTMENT OF TRANSPORTATION

### Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>2000-01 PUBLIC IMPROVEMENT PROJECTS</b>				
State Highway and Bridge Maintenance.....	\$ 11,350	\$ 700	\$ 380	\$ 12,430
Subtotal.....	\$ 11,350	\$ 700	\$ 380	\$ 12,430
<b>TRANSPORTATION ASSISTANCE PROJECTS</b>				
Urban Mass Transportation.....	\$ 569,136	\$ 0	\$ 0	\$ 569,136
Subtotal.....	\$ 569,136	\$ 0	\$ 0	\$ 569,136
<b>HIGHWAY PROJECTS</b>				
State Highway and Bridge Construction/Reconstruction.....	\$ 798,916	\$ 42,189	\$ 106,367	\$ 947,472
<b>TOTAL PROJECTS</b> .....	<b>\$ 1,379,402</b>	<b>\$ 42,889</b>	<b>\$ 106,747</b>	<b>\$ 1,529,038</b>
<b>SOURCE OF FUNDS</b>				
<b>General Obligation Bond Issues</b>				
Capital Facilities Fund - Buildings and Structures.....	\$ 3,850	\$ 700	\$ 380	\$ 4,930
Capital Facilities Fund - Transportation Assistance.....	185,452	0	0	185,452
Subtotal General Obligation Bond Issues.....	\$ 189,302	\$ 700	\$ 380	\$ 190,382
<b>Current Revenues</b>				
Motor License Fund.....	\$ 162,263	\$ 10,194	\$ 24,581	\$ 197,038
<b>Federal Funds</b> .....	\$ 981,004	\$ 30,530	\$ 80,861	\$ 1,092,395
<b>Local Funds</b> .....	\$ 46,833	\$ 1,465	\$ 925	\$ 49,223
<b>TOTAL</b> .....	<b>\$ 1,379,402</b>	<b>\$ 42,889</b>	<b>\$ 106,747</b>	<b>\$ 1,529,038</b>





## Department of Transportation 2000-01 Projects

(Dollar Amounts in Thousands)

*This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.*

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
-------------------	-----------	------------------------	--------------------

**FROM CAPITAL FACILITIES BOND FUNDS**

**PUBLIC IMPROVEMENT PROJECTS**

**Program: State Highway and Bridge Maintenance**

<b>Fort Pitt Tunnel Maintenance Facility, Allegheny County</b>	\$ 1,250	\$ 500	\$ 100	\$ 1,850
--	----------	--------	--------	----------

CONSTRUCT OR ACQUIRE A REPLACEMENT MAINTENANCE FACILITY: This project will replace the existing facility which is not located well for the types of vehicle maintenance performed and requires a larger building. When completed, this project is not expected to change operating costs.

<b>Highway Sign Production/Distribution Facility, Dauphin County</b>	2,600	200	280	3,080
--	-------	-----	-----	-------

REPLACE SIGN PRODUCTION/DISTRIBUTION FACILITY: This project will construct a new sign manufacture and warehousing facility. When completed, this project is not expected to change operating costs.

<b>PROGRAM TOTAL</b>	<u>\$ 3,850</u>	<u>\$ 700</u>	<u>\$ 380</u>	<u>\$ 4,930</u>
----------------------	-----------------	---------------	---------------	-----------------

**From Motor License Fund Current Revenues**

**Program: State Highway and Bridge Maintenance**

<b>Highway Maintenance Facility, Cumberland County</b>	\$ 4,000	\$ 0	\$ 0	\$ 4,000
--	----------	------	------	----------

CONSTRUCT OR ACQUIRE A REPLACEMENT MAINTENANCE FACILITY: This project will replace the existing facility which is not located well for the types of vehicle maintenance performed and requires a larger building. When completed, this project is not expected to change operating costs.

<b>Expand/Replace Driver Licensing Center, Allegheny County</b>	1,000	0	0	1,000
---	-------	---	---	-------

EXPAND OR REPLACE THE DRIVER LICENSING FACILITY AT NEW KENSINGTON: This project will construct an expansion to the existing facility and construct a new facility to serve the New Kensington area. When completed, this project is not expected to change operating costs.

<b>Highway Maintenance Facility, Sullivan County</b>	2,500	0	0	2,500
--	-------	---	---	-------

CONSTRUCT OR ACQUIRE A REPLACEMENT MAINTENANCE FACILITY: This project will replace the existing facility which is not located well for the types of vehicle maintenance performed and requires a larger building. When completed, this project is not expected to change operating costs.

<b>PROGRAM TOTAL</b>	<u>\$ 7,500</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,500</u>
----------------------	-----------------	-------------	-------------	-----------------



## Department of Transportation 2000-01 Projects

(Dollar Amounts in Thousands)

### FROM CAPITAL FACILITIES BOND FUNDS

### TRANSPORTATION ASSISTANCE PROJECTS

#### Program: Urban Mass Transportation

All of the following projects are grants to local transportation authorities. Consequently, no staffing or operating cost impacts are provided since these will be borne by local budgets.

#### Berks and Reading Transportation Authority

	Base	Land	Design &	Total
Project	Project	Cost	Contingencies	Project
	Cost	Cost		Cost
FFY 1999 SECT. 3 ACQUISITION OF 15 REPLACEMENT TRANSIT BUSES: This project will acquire 15 fixed route transit buses designed for accessibility.	State \$ 833	\$ 0	\$ 0	\$ 833
	Fed. 4,000	0	0	4,000
	Local 167	0	0	167

FFY 1999 SECT. 9 ACQUISITION OF 10 PARATRANSIT VEHICLES: This project will acquire 10 paratransit buses as replacements for others which have reached their useful life.	State 416	0	0	416
	Fed. 2,000	0	0	2,000
	Local 84	0	0	84

FFY 2000 SECT. 3 ACQUISITION OF 16 TRANSIT BUSES: This project will acquire 16 fixed route transit buses to replace existing vehicles which have reached their useful life.	State 1,000	0	0	1,000
	Fed. 4,800	0	0	4,800
	Local 200	0	0	200

FFY 1999 SECT. 9 ACQUISITION OF 10 PARATRANSIT VEHICLES: This project will acquire 10 paratransit buses as replacements for others which have reached their useful life.	State 500	0	0	500
	Fed. 2,400	0	0	2,400
	Local 100	0	0	100

DOWNTOWN INTERMODAL FACILITY, PHASE II: This project will provide additional funding for the design and construction of an intermodal facility in downtown Reading.	State 500	0	0	500
	Fed. 2,400	0	0	2,400
	Local 100	0	0	100

#### Beaver County Transit Authority

CONSTRUCTION OF AN EXPRESSWAY TRAVEL CENTER: This project will provide for the design and construction of a travel center, maintenance facility and park-n-ride lot.	State 563	0	0	563
	Fed. 2,702	0	0	2,702
	Local 113	0	0	113

INSTALLATION OF MOBILITY MANAGER TECHNOLOGY: This project will install electronic communications, vehicle location and automatic scheduling and dispatching software.	State 200	0	0	200
	Fed. 960	0	0	960
	Local 40	0	0	40

#### Centre Area Transit Authority

INTERMODAL TRANSIT CENTER: This project will provide for the design and construction of an intermodal transit center in downtown State College.	State 833	0	0	833
	Fed. 4,000	0	0	4,000
	Local 167	0	0	167

#### EXPANSION OF ADMINISTRATIVE AND OPERATIONS

OFFICES: This project will provide for the design and construction of expanded office space, bus driver facilities and storage at the current location.	State 83	0	0	83
	Fed. 400	0	0	400
	Local 17	0	0	17

PARK-N-RIDE LOTS: This project will provide for the acquisition of sites, design and construction of two park-n-ride lots with a capacity of 50 cars each. The lots will be paved, lighted and fenced.	State 100	0	0	100
	Fed. 480	0	0	480
	Local 20	0	0	20



## Department of Transportation 2000-01 Projects

(Dollar Amounts in Thousands)

### TRANSPORTATION ASSISTANCE PROJECTS (continued)

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>Cambria County Transit Authority</b>					
<b>SATELLITE OPERATIONS AND MAINTENANCE FACILITY:</b>					
This project will provide for the design and construction of a 40,000 sq. ft. building used for vehicle maintenance and operations offices.	State	\$ 133	\$ 0	\$ 0	\$ 133
	Fed.	638	0	0	638
	Local	27	0	0	27
<b>Lackawanna County Transit System</b>					
<b>DOWNTOWN INTERMODAL TRANSIT FACILITY:</b> This project will provide for the design and construction of an intermodal facility in downtown Scranton.					
	State	208	0	0	208
	Fed.	1,000	0	0	1,000
	Local	42	0	0	42
<b>Erie Metropolitan Transit Authority</b>					
<b>COMPRESSED NATURAL GAS (CNG) BUS ACQUISITION:</b>					
This project provides for the purchase of four 35 foot CNG buses, four small transit CNG buses and related maintenance equipment.	State	340	0	0	340
	Fed.	2,033	0	0	2,033
	Local	82	0	0	82
<b>FFY 1999 TRANSIT BUS ACQUISITION:</b> This project will provide for the acquisition of five 35 foot transit buses, six paratransit buses, associated equipment and improvement to the maintenance facility.					
	State	325	0	0	325
	Fed.	1,560	0	0	1,560
	Local	65	0	0	65
<b>FFY 2000 TRANSIT BUS ACQUISITION:</b> This project will provide for the acquisition of two 35 foot transit buses, related equipment, spare parts and communications equipment.					
	State	188	0	0	188
	Fed.	902	0	0	902
	Local	38	0	0	38
<b>Fayette County Transit</b>					
<b>BUS ACQUISITION:</b> This project will provide for the acquisition of seven small transit buses and for the construction of a parking lot.					
	State	431	0	0	431
	Fed.	2,069	0	0	2,069
	Local	86	0	0	86
<b>Lehigh and Northampton Transportation Authority</b>					
<b>BUS PROCUREMENT:</b> This project will provide for the acquisition of ten heavy duty transit buses to replace existing vehicles that have reached their useful life.					
	State	533	0	0	533
	Fed.	2,560	0	0	2,560
	Local	107	0	0	107
<b>Port Authority of Allegheny County</b>					
<b>BUS PROCUREMENT:</b> This project will provide for the acquisition of more than 400 transit buses to replace existing vehicles that have reached their useful life.					
	State	10,000	0	0	10,000
	Fed.	48,000	0	0	48,000
	Local	2,000	0	0	2,000
<b>NORTH SHORE CONNECTOR:</b> This project will improve North Shore central business district transportation by expanding light rail or adding a busway, installing park-n-ride garages or an intermodal facility.					
	State	8,333	0	0	8,333
	Fed.	40,000	0	0	40,000
	Local	1,667	0	0	1,667
<b>FFY 1999 through 2002 ADDITIONAL FEDERAL FLEX FUNDING:</b> This project will provide additional funding for the small vehicle transit program.					
	State	1,250	0	0	1,250
	Fed.	6,000	0	0	6,000
	Local	250	0	0	250



## Department of Transportation 2000-01 Projects

(Dollar Amounts in Thousands)

### TRANSPORTATION ASSISTANCE PROJECTS (continued)

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>Southeastern Pennsylvania Transportation Authority</b>					
FFY 2001 SECT. 9 PROGRAM: This project provides for partial funding for the purchase of 355 replacement transit buses, construction of the Frankfort Transportation Center and light rail improvements.					
	State	\$ 10,833	\$ 0	\$ 0	\$ 10,833
	Fed.	52,000	0	0	52,000
	Local	2,167	0	0	2,167
FFY 2001 SECT. 3 FIXED GUIDEWAY PROGRAM: This project will provide for improvements to the regional rail mainline between 30th St. Station and J. F. Kennedy Blvd., Market-Frankfort line, Market Elevated and station rehabilitation.					
	State	15,625	0	0	15,625
	Fed.	75,000	0	0	75,000
	Local	3,125	0	0	3,125
GIRARD AVE. LIGHT RAIL INFRASTRUCTURE: This project will provide the design and construction of the Girard Ave. light rail line.					
	State	625	0	0	625
	Fed.	3,000	0	0	3,000
	Local	125	0	0	125
EXTENSION OF RAIL SERVICE ELWYN TO WAWA: This project will extend rail service from Media to a proposed terminus at Wawa, Delaware County.					
	State	1,667	0	0	1,667
	Fed.	8,000	0	0	8,000
	Local	333	0	0	333
CENTER CITY TRANSIT IMPROVEMENTS: This project will improve Market St. head houses, Market & Broad St. Station, transit signage, bus shelters and passenger amenities.					
	State	625	0	0	625
	Fed.	3,000	0	0	3,000
	Local	125	0	0	125
CROSS COUNTRY METRO: This project provides additional funding to design and construct cross country metro line which is to provide service from Bucks through Chester to Montgomery Counties.					
	State	417	0	0	417
	Fed.	2,000	0	0	2,000
	Local	83	0	0	83
FRANKFORT TRANSPORTATION CENTER: This project will add funding to construct the transportation center at the Bridge-Pratt terminal of the Market-Frankfort line.					
	State	1,042	0	0	1,042
	Fed.	5,000	0	0	5,000
	Local	208	0	0	208
PAOLI TRANSPORTATION CENTER: This project will add funding to construct a new transportation station at the existing Paoli train station on the Paoli/Downingtown regional rail line.					
	State	208	0	0	208
	Fed.	1,000	0	0	1,000
	Local	42	0	0	42
SCHUYLKILL VALLEY METRO INFRASTRUCTURE: This project will add funding to make improvements to trackage and stations along the corridor from center city Philadelphia to the Reading Wyomissing area					
	State	1,667	0	0	1,667
	Fed.	8,000	0	0	8,000
	Local	333	0	0	333
1999-00 VEHICLE OVERHAUL: This project will provide for the overhaul of buses, surface rail and subway cars.					
	State	42,000	0	0	42,000
2000-01 VEHICLE OVERHAUL: This project will provide for the overhaul of buses, surface rail and subway cars.					
	State	42,000	0	0	42,000
SILVERLINER PROPULSION SYSTEM UPGRADES: This project will provide for the installation of new micro-processor based control system for all 231 rail cars.					
	State	625	0	0	625
	Fed.	3,000	0	0	3,000
	Local	125	0	0	125



## Department of Transportation 2000-01 Projects

(Dollar Amounts in Thousands)

### TRANSPORTATION ASSISTANCE PROJECTS (continued)

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<b>FFY 2001 BUS PURCHASE:</b> This project will provide for the purchase of approximately 355 buses. About 200 of these will be low floor 40 foot buses and 155 will be 60 foot lift equipped models.					
State	\$	3,563	\$ 0	\$ 0	\$ 3,563
Fed.		17,100	0	0	17,100
Local		712	0	0	712
<b>FFY-2001 FLEX FUNDING PROGRAM:</b> This project will contribute to several projects including regional park-n-ride, alternative fuel program and station improvements.					
State		3,698	0	0	3,698
Fed.		17,750	0	0	17,750
Local		740	0	0	740
<b>1999-00 INFRASTRUCTURE SAFETY RENEWAL PROJECTS:</b> This project will make station, signal, track, power and building upgrades to improvement safety and service reliability.					
State		15,000	0	0	15,000
Local		15,000	0	0	15,000
<b>2000-01 INFRASTRUCTURE SAFETY RENEWAL PROJECTS:</b> This project will make station, signal, track, power and building upgrades to improvement safety and service reliability.					
State		15,000	0	0	15,000
Local		15,000	0	0	15,000
<b>Shenango Valley Shuttle Service</b>					
<b>BUS PURCHASE:</b> This project will provide for the acquisition of about 31 heavy duty transit buses and one standard trolley bus. The newly acquired vehicles will replace those currently in service that have reached their useful life.					
State		88	0	0	88
Fed.		422	0	0	422
Local		18	0	0	18
<b>Department of Transportation</b>					
<b>ADDITIONAL FUNDING FOR THE KEYSTONE RAIL INITIATIVE:</b> This project provides continuation funding for preliminary engineering, acquisition, construction, reconstruction of rail passenger facilities, stations and vehicles, grade crossings and other infrastructure improvements.					
State		4,000	0	0	4,000
Fed.		16,000	0	0	16,000
<b>TOTAL STATE FUNDS.....</b>					
	\$	185,452	\$ 0	\$ 0	\$ 185,452
<b>TOTAL FEDERAL FUNDS.....</b>					
		340,176	0	0	340,176
<b>TOTAL LOCAL FUNDS.....</b>					
		43,508	0	0	43,508
<b>PROGRAM TOTAL.....</b>					
	\$	569,136	\$ 0	\$ 0	\$ 569,136

# Capital Budget

## Department of Transportation 2000-01 Projects

(DOLLAR AMOUNTS IN THOUSANDS)

### HIGHWAY PROJECTS

#### FROM CURRENT REVENUES

#### Program: Highway and Safety Improvement

		Base			Total
		Project	Land	Design &	Project
		Cost	Cost	Contingencies	Cost
<b>ALLEGHENY COUNTY I-79</b>					
Rest Area to Kirwan Heights	State	\$ 1,510	\$ 0	\$ 0	\$ 1,510
South Fayette & Bridgeville Townships	Federal	13,590	0	0	13,590
Reconstruction	Total	15,100	0	0	15,100
<b>ALLEGHENY COUNTY I-279</b>					
Fort Pitt Bridge to Camp Horn Road	State	0	0	60	60
City of Pittsburgh and Ross Township	Federal	1,800	0	240	2,040
Safety Improvement/Freeway Surveillance	Total	1,800	0	300	2,100
<b>ALLEGHENY COUNTY I-279</b>					
I-279/Anner Street Slide	State	35	2	22	59
City of Pittsburgh	Federal	315	13	200	528
Slope Improvement	Total	350	15	222	587
<b>ALLEGHENY COUNTY I-279</b>					
Retaining Wall # 4	State	120	15	26	161
City of Pittsburgh	Federal	1,080	0	234	1,314
Slope Stabilization	Total	1,200	15	260	1,475
<b>ALLEGHENY COUNTY PA 65</b>					
Grant to Riverview	State	580	95	47	722
Bellvue Borough	Federal	2,320	857	419	3,596
Widen Roadway	Total	2,900	952	466	4,318
<b>ALLEGHENY COUNTY NEW MON RIVER BRIDGE</b>					
From Wabash Tunnel to Stanwix	State	24,000	2,000	6,400	32,400
City of Pittsburgh	Federal	96,000	8,000	21,600	125,600
New Bridge	Total	120,000	10,000	28,000	158,000
<b>ALLEGHENY COUNTY SOUTH MILLVALE ST. BRIDGE</b>					
Over East Busway/Conrail	State	1,000	0	0	1,000
City of Pittsburgh	Federal	4,000	0	0	4,000
Bridge Rehabilitation	Total	5,000	0	0	5,000
<b>ALLEGHENY COUNTY BANKSVILLE CONNECTION</b>					
From Wabash Tunnel to Banksville	State	10,000	0	1,000	11,000
City of Pittsburgh	Federal	40,000	0	4,000	44,000
New Roadway	Total	50,000	0	5,000	55,000
<b>BEAVER COUNTY SR 9900</b>					
Woodlawn Avenue Extension	State	280	0	20	300
City of Aliquippa	Federal	1,120	0	80	1,200
Roadway Extension	Total	1,400	0	100	1,500
<b>BEAVER COUNTY PA 151</b>					
Kane Road @ Gringo Road	State	260	40	0	300
Hopewell Township	Federal	1,040	160	0	1,200
Relocation	Local	0	0	150	150
	Total	1,300	200	150	1,650
<b>BEDFORD COUNTY PA 915</b>					
PA 26/PA 915 Hopewell Interchange	State	200	15	50	265
Hopewell Borough	Federal	800	60	200	1,060
Intersection Improvement	Total	1,000	75	250	1,325



# Capital Budget

## Department of Transportation 2000-01 Projects

(DOLLAR AMOUNTS IN THOUSANDS)

### HIGHWAY PROJECTS

#### FROM CURRENT REVENUES

#### Program: Highway and Safety Improvement

		Base			Total
		Project	Land	Design &	Project
		Cost	Cost	Contingencies	Cost
<b>BERKS COUNTY I-78</b>					
Exit 11 to Milepost 33	State	\$ 207	\$ 0	\$ 0	\$ 207
Windsor & Greenwich Townships	Federal	828	0	0	828
Patching, Grinding, Rumble Strips	Total	1,035	0	0	1,035
<b>BLAIR COUNTY PA 36</b>					
Intersection of Logan Boulevard with Plank Road & 6th Avenue	State	160	40	60	260
City of Altoona	Federal	640	160	240	1,040
Add Left Turn Lanes	Total	800	200	300	1,300
<b>BLAIR COUNTY PA 866</b>					
Curryville to Royer	State	200	50	300	550
Huston and North Woodbury Townships	Federal	800	200	0	1,000
Restoration	Total	1,000	250	300	1,550
<b>BLAIR COUNTY SR 4004</b>					
Plank Road to Ruskin Street and Goods Lane to PA 764	State	687	433	93	1,213
City of Altoona	Federal	2,748	1,732	372	4,852
Reconstruction and Intersection Improvements	Total	3,435	2,165	465	6,065
<b>BLAIR COUNTY SR 9900</b>					
Park Avenue/Sixth Street Extension	State	600	100	100	800
New Roadway	Federal	2,400	400	400	3,200
	Total	3,000	500	500	4,000
<b>BLAIR COUNTY SR 9900</b>					
Park Avenue Extension - 17th Street to Frankstown Road	State	700	100	100	900
New Roadway	Federal	2,800	400	400	3,600
	Total	3,500	500	500	4,500
<b>BRADFORD COUNTY US 6</b>					
From Wysox Narrows to Rummerfield	State	194	30	157	381
Reconstruction and Widening	Federal	778	0	0	778
	Total	972	30	157	1,159
<b>BRADFORD COUNTY US 6</b>					
From the Tioga/Bradford County Line East to Sylvania	State	411	20	160	591
Reconstruction and Widening	Federal	1,644	0	0	1,644
	Total	2,055	20	160	2,235
<b>BRADFORD COUNTY PA 706</b>					
Wyalusing Borough to Susquehanna County Line	State	1,300	20	180	1,500
Wyalusing and Stevens Townships	Federal	5,200	80	720	6,000
Restoration and Widening	Total	6,500	100	900	7,500
<b>BUCKS COUNTY PA 132</b>					
Street Road (PA 132) and I-95 Interchange	State	4,000	400	400	4,800
Bensalem Township	Federal	16,000	1,600	1,600	19,200
Interchange Improvements	Total	20,000	2,000	2,000	24,000
<b>BUCKS COUNTY SR 2006</b>					
Intersection of New Falls Road (SR 2006) and Wistar Road	State	100	0	20	120
Intersection Improvements	Federal	400	0	80	480
	Total	500	0	100	600
<b>BUCKS COUNTY SR 2022</b>					
PA 413 to Street Road (PA 132) Intersection	State	100	0	20	120
Intersection Improvements	Federal	400	0	80	480
	Total	500	0	100	600



# Capital Budget

## Department of Transportation 2000-01 Projects

(DOLLAR AMOUNTS IN THOUSANDS)

### HIGHWAY PROJECTS

#### FROM CURRENT REVENUES

#### Program: Highway and Safety Improvement

		Base			Total
		Project	Land	Design &	Project
		Cost	Cost	Contingencies	Cost
<b>BUCKS COUNTY SR 2025</b>					
Hulmeville Road to Old Lincoln Highway	State	\$ 450	\$ 250	\$ 551	\$ 1,251
Bensalem Township	Federal	1,800	0	0	1,800
Intersection Improvements	Total	2,250	250	551	3,051
<b>BUCKS COUNTY SR 2029</b>					
Intersection of Oxford Valley Road and Levittown Parkway	State	760	300	0	1,060
Falls and Middletown Townships	Federal	3,040	0	0	3,040
Intersection Improvements	Total	3,800	300	0	4,100
<b>BUCKS COUNTY SR 2029</b>					
Oxford Valley Road at US 1 Interchange	State	375	0	0	375
Lower Makefield Township	Federal	1,500	0	0	1,500
Interchange Improvements	Total	1,875	0	0	1,875
<b>BUCKS COUNTY SR 2038</b>					
Bustleton to Philmont Avenue	State	200	20	60	280
Lower Southampton Township	Federal	800	80	240	1,120
Relocation	Total	1,000	100	300	1,400
<b>BUCKS COUNTY SR 2069</b>					
Heacock to Oxford Valley Road	State	500	0	0	500
Lower Makefield Township	Federal	2,000	360	0	2,360
Realignment	Local	0	90	150	240
	Total	2,500	450	150	3,100
<b>BUTLER COUNTY PA 228</b>					
Intersection of PA 228/SR2007/T-840	State	140	50	150	340
Clinton Township	Federal	560	0	0	560
Intersection Improvements	Total	700	50	150	900
<b>CAMBRIA COUNTY PA 56</b>					
Broad Avenue to US 22	State	0	0	1,000	1,000
City of Johnstown	Federal	0	0	4,000	4,000
Relocation	Total	0	0	5,000	5,000
<b>CAMBRIA COUNTY PA 271</b>					
Shoemaker Street	State	2,400	799	400	3,599
Jackson Township	Federal	0	396	0	396
Widening and Add Turn Lane	Total	2,400	1,195	400	3,995
<b>CAMBRIA COUNTY SR 4021</b>					
US 219 to Hastings Access Road	State	672	90	65	827
Susquehanna Township	Federal	2,688	120	260	3,068
Reconstruction and Realignment	Total	3,360	210	325	3,895
<b>CENTRE COUNTY US 322</b>					
Jack's Mill Drive to Bear Rd.	State	200	20	70	290
Harris Township	Federal	800	80	280	1,160
Left Turn Lanes	Total	1,000	100	350	1,450
<b>CENTRE COUNTY PA 550</b>					
Intersection of SR 3008 & PA 550	State	103	10	100	213
Benner Township	Federal	414	40	400	854
Intersection Improvement	Total	517	50	500	1,067





# Capital Budget

## Department of Transportation 2000-01 Projects

(DOLLAR AMOUNTS IN THOUSANDS)

### HIGHWAY PROJECTS

#### FROM CURRENT REVENUES

#### Program: Highway and Safety Improvement

		Base			Total
		Project	Land	Design &	Project
		Cost	Cost	Contingencies	Cost
<b>CHESTER COUNTY PA 926</b>					
PA 26 & New Street Intersection	State	\$ 72	\$ 0	\$ 11	\$ 83
Westtown Township	Federal	289	0	43	332
Intersection Improvement	Total	361	0	54	415
<b>CLARION COUNTY PA 68</b>					
PA 68/US 322 Intersection	State	160	20	180	360
Clarion Borough	Federal	640	0	0	640
Intersection Improvement	Total	800	20	180	1,000
<b>COLUMBIA COUNTY US 11</b>					
US 11/PA 487 Interchange to Park Street	State	150	0	100	250
City of Bloomsburg	Federal	600	0	0	600
Reconstruct Intersection	Total	750	0	100	850
<b>COLUMBIA COUNTY US 11</b>					
Interchange of US 11 and PA 42	State	0	0	11	11
City of Bloomsburg	Federal	635	0	0	635
Signing	Total	635	0	11	646
<b>COLUMBIA COUNTY PA 42 &amp; PA 44</b>					
PA 42: I-80 to School House Road, PA 44	State	220	0	185	405
Hemlock Township	Federal	880	0	0	880
Patching, Grinding and Overlay	Total	1,100	0	185	1,285
<b>CRAWFORD COUNTY I-79</b>					
Crawford/Erie County Line to Mercer County Line	State	10,000	0	1,000	11,000
Pavement and Safety Improvements	Federal	40,000	0	4,000	44,000
	Total	50,000	0	5,000	55,000
<b>CRAWFORD COUNTY PA 27</b>					
Sugar Creek Bridge to Township Line at Frenchtown	State	126	50	95	271
Safety Improvement	Federal	504	0	0	504
	Total	630	50	95	775
<b>CRAWFORD COUNTY PA 408</b>					
Strawbridge Road to PA 428 & Steadman Road to Shiner Rd.	State	265	40	20	325
Widen and Straighten Roadway	Federal	1,060	160	80	1,300
	Total	1,325	200	100	1,625
<b>CRAWFORD COUNTY PA 77</b>					
PA 77 and PA 408 Intersection	State	120	6	9	135
Add Left Turn Lane	Federal	480	24	36	540
	Total	600	30	45	675
<b>DAUPHIN COUNTY SR 2036</b>					
PA 743/SR 2012 Intersection to Lingle Avenue	State	6,394	1,600	400	8,394
Derry Township	Federal	0	0	0	0
New Roadway	Local	1,598	400	100	2,098
	Total	7,992	2,000	500	10,492
<b>DELAWARE COUNTY SR 2006</b>					
I-476 to Fairview Road	State	100	2	24	126
Ridley Township	Federal	400	8	96	504
Signal Improvement	Total	500	10	120	630
<b>ERIE COUNTY I-90</b>					
From Ohio State Line to New York State Line	State	16,000	0	2,000	18,000
Pavement and Safety Improvements	Federal	64,000	0	8,000	72,000
	Total	80,000	0	10,000	90,000



# Capital Budget

## Department of Transportation 2000-01 Projects

(DOLLAR AMOUNTS IN THOUSANDS)

### HIGHWAY PROJECTS

#### FROM CURRENT REVENUES

#### Program: Highway and Safety Improvement

		Base			Total
		Project	Land	Design &	Project
		Cost	Cost	Contingencies	Cost
ERIE COUNTY I-79	State	\$ 8,000	\$ 0	\$ 800	\$ 8,800
From Bayfront to Mercer County Line	Federal	72,000	0	7,200	79,200
Pavement and Safety Improvements	Total	80,000	0	8,000	88,000
ERIE COUNTY US 19	State	500	100	100	700
Robinson Road (SR 4024) to Oliver Road (SR 4008)	Federal	2,000	400	400	2,800
Widen Roadway	Total	2,500	500	500	3,500
ERIE COUNTY US 19	State	4,000	400	535	4,935
Intersection of US 19 and I-90	Federal	0	0	140	140
Intersection Improvement	Total	4,000	400	675	5,075
ERIE COUNTY US 19	State	400	120	100	620
I-90 to Robinson Road	Federal	0	0	0	0
Reconstruction	Total	400	120	100	620
ERIE COUNTY US 20	State	108	0	15	123
From Water Street to Nagle Road	Federal	322	0	0	322
Wesleyville Borough and Harborcreek Township	Local	0	20	0	20
Resurface	Total	430	20	15	465
ERIE COUNTY US 20	State	160	20	20	200
Intersection of US 20 and PA 98	Federal	640	80	80	800
Add Left Turn Lane	Total	800	100	100	1,000
ERIE COUNTY PA 531	State	900	75	25	1,000
I-90 to US 20	Federal	2,700	225	75	3,000
Harborcreek Township	Total	3,600	300	100	4,000
Widen Roadway					
ERIE COUNTY SR 4024	State	480	400	80	960
TR - 99 to Robison Road	Federal	1,920	1,600	320	3,840
Relocation	Total	2,400	2,000	400	4,800
ERIE COUNTY SR 4026	State	180	10	10	200
From US 19 (Peach Street) to PA 505 (Perry Highway)	Federal	720	40	40	800
Millcreek and Summit Townships	Total	900	50	50	1,000
Reconstruction					
ERIE COUNTY ORE DOCK ACCESS ROAD	State	1,120	40	120	1,280
From the Bayfront Highway .44 Miles North	Federal	0	0	0	0
Relocation	Local	280	10	30	320
	Total	1,400	50	150	1,600
INDIANA COUNTY ROSE STREET EXTENSION	State	228	293	150	671
PA 286 North to SR 4032	Federal	910	77	600	1,587
White Township	Local	1,137	905	0	2,042
Relocation	Total	2,275	1,275	750	4,300
INDIANA COUNTY US 22	State	4,400	0	1,345	5,745
US 22 North to Snyder Lane	Federal	17,600	7,000	5,381	29,981
Burrell Township	Total	22,000	7,000	6,726	35,726
Interchange Improvement and Add Lanes					
LACKAWANNA COUNTY SR 3022	State	130	0	20	150
Roaring Brook and Central City Expressway	Federal	520	0	80	600
Repair Retaining Wall	Total	650	0	100	750



# Capital Budget

## Department of Transportation 2000-01 Projects

(DOLLAR AMOUNTS IN THOUSANDS)

### HIGHWAY PROJECTS

#### FROM CURRENT REVENUES

#### Program: Highway and Safety Improvement

		Base			Total
		Project	Land	Design &	Project
		Cost	Cost	Contingencies	Cost
LANCASTER COUNTY US 30	State	\$ 1,309	\$ 0	\$ 300	\$ 1,609
York County Line to Mountville Borough	Federal	5,236	0	0	5,236
Resurface	Total	6,545	0	300	6,845
LANCASTER COUNTY US 30	State	1,388	0	300	1,688
Mountville Borough to PA 741	Federal	5,553	0	0	5,553
Resurface	Total	6,941	0	300	7,241
LANCASTER COUNTY PA 283	State	2,281	0	300	2,581
Elizabethtown to PA 230	Federal	9,126	0	0	9,126
Resurface	Total	11,407	0	300	11,707
LEBANON COUNTY SR 2001	State	401	0	0	401
SR 2001 Reconstruction & Improvements @ SR 2001/PA 501	Federal	0	0	0	0
Intersection Improvements and Reconstruction	Total	401	0	0	401
LEHIGH COUNTY SR 1003	State	2,400	300	300	3,000
Airport Road From US 22 to Congress Street	Federal	0	0	0	0
Reconstruction and Intersection Improvements	Total	2,400	300	300	3,000
LEHIGH COUNTY SR 1007	State	200	25	75	300
Dauphin Street From Irving Street to Union Boulevard	Federal	0	0	0	0
Reconstruction and Intersection Improvements	Total	200	25	75	300
LEHIGH COUNTY SR 9900	State	2,600	500	500	3,600
Lloyd Street Connector From Airport Rd. to Existing Llyod St.	Federal	0	0	0	0
New Roadway	Total	2,600	500	500	3,600
LUZERNE COUNTY I-81					
Reconstruct Exit 49	State	1,600	200	200	2,000
Avoca Borough	Federal	14,400	1,800	1,800	18,000
Interchange Improvement	Total	16,000	2,000	2,000	20,000
LUZERNE COUNTY I-80	State	380	0	20	400
East/West Bound Lanes	Federal	3,420	0	180	3,600
Pavement Restoration	Total	3,800	0	200	4,000
LUZERNE COUNTY PA 29	State	1,940	0	60	2,000
Interstate I-81 to US 11	Federal	0	0	0	0
Restoration	Total	1,940	0	60	2,000
LUZERNE COUNTY PA 309	State	420	0	30	450
Exit 4 to Exit 5	Federal	0	0	0	0
Restoration	Total	420	0	30	450
LYCOMING COUNTY I-180	State	899	0	57	956
US 220/SR 2036 Interchange; Halls Station to S. Muncy Intchg.	Federal	8,095	0	517	8,612
Restoration	Total	8,994	0	574	9,568
LYCOMING COUNTY US 220					
From Intersection with PA 287 to the Williamsport Beltway	State	3,251	294	233	3,778
Woodward Township	Federal	13,002	1,178	933	15,113
4-lane Divided Relocation/Reconstruction & Safety Impr.	Total	16,253	1,472	1,166	18,891



# Capital Budget

## Department of Transportation 2000-01 Projects

(DOLLAR AMOUNTS IN THOUSANDS)

### HIGHWAY PROJECTS

#### FROM CURRENT REVENUES

#### Program: Highway and Safety Improvement

		Base			Total
		Project	Land	Design &	Project
		Cost	Cost	Contingencies	Cost
<b>LYCOMING COUNTY US 220</b>					
4th Street Ramp	State	\$ 0	\$ 0	\$ 70	\$ 70
Jersey Shore Borough	Federal	400	0	0	400
Safety Improvement	Total	400	0	70	470
<b>McKEAN COUNTY PA 59</b>					
Intersection of PA 59 & PA 770	State	160	10	20	190
Lafayette Township	Federal	640	40	80	760
Intersection Improvement	Total	800	50	100	950
<b>MERCER COUNTY I-79</b>					
Lawrence County Line to City of Erie	State	10,600	0	1,060	11,660
Pavement and Safety Improvements	Federal	95,400	0	9,540	104,940
	Total	106,000	0	10,600	116,600
<b>MERCER COUNTY SR 3014</b>					
PA 18 to Buhl Boulevard	State	520	320	20	860
Add Turn Lane	Federal	2,080	1,280	80	3,440
	Total	2,600	1,600	100	4,300
<b>MONTGOMERY COUNTY PA 363</b>					
Sumneytown Pike @ PA 363 Intersection	State	1,344	0	0	1,344
Towamencin & Upper Gwynedd Township	Federal	5,376	160	0	5,536
Intersection Improvement	Local	0	40	100	140
	Total	6,720	200	100	7,020
<b>MONTGOMERY COUNTY SR 9900</b>					
FT. Washington Improvements	State	175	4	17	196
Upper Dublin Township	Federal	450	16	67	533
Various Reconstruction and Safety Improvements	Total	625	20	84	729
<b>MONTGOMERY COUNTY SR 9900</b>					
Butler Pike @ Flourtown Road	State	200	20	0	220
Plymouth & Whitmarsh Townships	Federal	800	80	0	880
Intersection Improvement	Local	0	0	300	300
	Total	1,000	100	300	1,400
<b>MONTOUR US 11</b>					
Walnut Street and Montour Boulevard	State	350	0	300	650
Restoration	Federal	1,400	0	0	1,400
	Total	1,750	0	300	2,050
<b>NORTHUMBERLAND COUNTY I-180</b>					
Lycoming County Line to PA 54 Interchange	State	480	0	38	518
Restoration	Federal	3,520	0	342	3,862
	Total	4,000	0	380	4,380
<b>NORTHUMBERLAND COUNTY PA 61</b>					
PA 61/PA 225 Intersection	State	1,800	200	360	2,360
Shamokin and Coal Townships	Federal	7,200	800	1,440	9,440
Intersection Improvement and New Bridge	Total	9,000	1,000	1,800	11,800
<b>NORTHUMBERLAND COUNTY PA 487</b>					
PA 61/PA 487 to 700 feet East of PA 487/SR 4012	State	224	30	150	404
Shamokin Township	Federal	896	0	0	896
Restoration	Total	1,120	30	150	1,300
<b>NORTHUMBERLAND COUNTY BELFORD BLVD.</b>					
East & West of House Run Road	State	269	0	0	269
Construct a New Two Lane Roadway	Federal	0	0	57	57
	Local	310	0	70	380
	Total	579	0	127	706



# Capital Budget

## Department of Transportation 2000-01 Projects

(DOLLAR AMOUNTS IN THOUSANDS)

### HIGHWAY PROJECTS

#### FROM CURRENT REVENUES

#### Program: Highway and Safety Improvement

		Base			Total
		Project	Land	Design &	Project
		Cost	Cost	Contingencies	Cost
<b>PERRY COUNTY US 22</b>					
South of Newport to Dauphin County Line	State	\$ 1,701	\$ 0	\$ 300	\$ 2,001
Restoration	Federal	6,802	0	0	6,802
	Total	8,503	0	300	8,803
<b>PHILADELPHIA COUNTY US 1</b>					
Twin Bridge to Ninth Street	State	5,000	40	360	5,400
City of Philadelphia	Federal	20,000	160	1,440	21,600
Restoration	Total	25,000	200	1,800	27,000
<b>PHILADELPHIA COUNTY SR 3007</b>					
Art Museum to Gustine Lake	State	240	0	25	265
City of Philadelphia	Federal	960	0	200	1,160
Lighting and Safety Improvements	Local	0	0	25	25
	Total	1,200	0	250	1,450
<b>PHILADELPHIA COUNTY SR 4007</b>					
Allens Lane to Cresheim Valley Drive	State	800	0	80	880
City of Philadelphia	Federal	3,200	0	320	3,520
Reconstruction	Total	4,000	0	400	4,400
<b>POTTER COUNTY PA 449</b>					
US 6 to New York State Line	State	750	20	60	830
Allegheny, Genesee and Ulysses Townships	Federal	3,000	80	239	3,319
Restoration	Total	3,750	100	299	4,149
<b>SULLIVAN COUNTY US 220</b>					
From Christian Street to Railroad Street	State	94	10	70	174
Resurface	Federal	378	0	0	378
	Total	472	10	70	552
<b>SULLIVAN COUNTY PA 87</b>					
Over Stoney Run	State	60	6	20	86
Hillsgrove Township	Federal	240	24	80	344
Bridge Replacement	Total	300	30	100	430
<b>SUSQUEHANNA COUNTY I-81</b>					
Lenox to Harford	State	2,100	0	50	2,150
Resurface	Federal	0	0	0	0
	Total	2,100	0	50	2,150
<b>SUSQUEHANNA COUNTY I-81</b>					
Harford to New Milford	State	290	0	10	300
Resurface	Federal	2,610	0	90	2,700
	Total	2,900	0	100	3,000
<b>TIOGA COUNTY PA 49</b>					
T-763 to Lawrenceville Borough	State	406	0	20	426
Restoration	Federal	1,622	0	0	1,622
	Total	2,028	0	20	2,048
<b>VENANGO COUNTY US 322</b>					
From Horse Creek Road to Mapleshade	State	403	20	40	463
Cranberry Township	Federal	1,613	80	160	1,853
Reconstruction	Total	2,016	100	200	2,316
<b>VENANGO COUNTY US 322</b>					
Intersection of US 322/PA 257/SR 2013	State	201	0	60	261
Intersection Improvements	Federal	804	0	240	1,044
	Total	1,005	0	300	1,305



# Capital Budget

## Department of Transportation 2000-01 Projects

(DOLLAR AMOUNTS IN THOUSANDS)

### HIGHWAY PROJECTS

#### FROM CURRENT REVENUES

#### Program: Highway and Safety Improvement

##### VENANGO COUNTY PA 38

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
Top of Emlenton Hill	State	\$ 800	\$ 100	\$ 100	\$ 1,000
Scrubgrass Township	Federal	3,200	400	400	4,000
Truck Pull-off Lane	Total	4,000	500	500	5,000

##### WARREN COUNTY

Intersection of PA Avenue and Park Avenue	State	70	20	10	100
Intersection Improvement	Federal	280	80	40	400
	Total	350	100	50	500

Total State.....	\$	154,763	\$ 10,194	\$ 24,581	\$ 189,538
Total Federal.....	\$	640,828	\$ 30,530	\$ 80,861	\$ 752,219
Total Other.....	\$	3,325	\$ 1,465	\$ 925	\$ 5,715

PROGRAM TOTAL.....	TOTAL	\$ 798,916	\$ 42,189	\$ 106,367	\$ 947,472
--------------------	-------	------------	-----------	------------	------------



## FORECAST OF FUTURE NEW PROJECT AUTHORIZATIONS State Funds

This table provides a summary of the estimated level of future authorizations by department from bond funds and current revenue sources.

(Dollar Amounts in Thousands)

	2001-02	2002-03	2003-04	2004-05
Agriculture.....	\$ 1,192	\$ 1,262	\$ 1,332	\$ 1,402
Conservation and Natural Resources.....	46,764	51,985	53,207	57,428
Corrections.....	41,099	43,518	45,936	48,353
Education.....	26,837	28,415	29,994	31,573
Environmental Protection.....	10,639	10,241	10,168	10,640
Fish and Boat Commission.....	3,000	3,000	3,000	3,000
Game Commission.....	-2,000	1,000	1,000	1,000
General Services.....	20,753	21,973	23,194	24,415
Historical and Museum Commission.....	17,431	18,457	19,482	20,507
Military and Veterans Affairs.....	3,785	4,008	4,230	4,453
Public Welfare.....	10,776	11,410	12,044	12,678
State Police.....	11,457	12,130	12,804	13,478
Transportation.....	237,372	267,806	298,239	308,673
<b>TOTAL.....</b>	<b>\$ 433,105</b>	<b>\$ 475,205</b>	<b>\$ 514,630</b>	<b>\$ 537,600</b>



## Forecast of Future Projects

This section contains estimated authorizations (State funds only) for future Capital Budgets from 2001-02 through 2004-05. Amounts in this section are grouped by department, along with the general types of projects involved, and are identified by capital project category.

(Dollar Amounts in Thousands)

### FROM CAPITAL FACILITIES BOND FUNDS

#### Agriculture

PUBLIC IMPROVEMENT PROJECTS: Provides for improvements at the Farm Show Complex and the laboratory.

	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
	\$ 1,192	\$ 1,262	\$ 1,332	\$ 1,402

#### Conservation and Natural Resources

PUBLIC IMPROVEMENT PROJECTS: Provides for construction and renovation of support, day use, camping facilities and utility systems at the State parks; construction of district offices, central garages, radio communications systems and rehabilitation of forest roads in forest districts. Also may include original furniture and equipment authorizations.

	20,764	21,985	23,207	24,428
--	--------	--------	--------	--------

#### Corrections

PUBLIC IMPROVEMENT PROJECTS: Provides for construction and renovation of administrative, industrial, educational and housing facilities, and utilities at the State-owned correctional institutions. Also may include furniture and equipment authorizations.

	41,099	43,518	45,936	48,353
--	--------	--------	--------	--------

#### Education

PUBLIC IMPROVEMENT PROJECTS: Provides for construction expansion, renovation and conversion of classroom and auxiliary buildings, utilities and recreational facilities for the State System of Higher Education, State-Owned Schools and for the State-Related Universities. Also may include furniture and equipment authorizations.

	26,837	28,415	29,994	31,573
--	--------	--------	--------	--------

#### Environmental Protection

PUBLIC IMPROVEMENT PROJECTS: Provides for construction and improvement projects to protect the environment and the health and safety of citizens using State lands and waterways. These projects include flood protection construction. Also may include furniture and equipment authorizations.

	8,534	9,036	9,538	10,040
--	-------	-------	-------	--------

FLOOD CONTROL PROJECTS: Provides for the State share of Federal flood control projects including the construction and improvement of levees, dikes, walls, revetments, dams, lakes, reservoirs and other works deemed necessary to control floods. Also, to control, preserve, and regulate the flow of rivers and streams

	2,105	1,205	630	600
--	-------	-------	-----	-----

#### General Services

PUBLIC IMPROVEMENT PROJECTS: Provides for the construction, renovation and improvements to State office buildings and facilities.

	20,753	21,973	23,194	24,415
--	--------	--------	--------	--------





## Forecast of Future Projects

(Dollar Amounts in Thousands)

FROM CAPITAL FACILITIES BOND FUNDS (continued)	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>Historical and Museum Commission</b>				
PUBLIC IMPROVEMENT PROJECTS: Provides for restoration and renovation of historic facilities, installation of fire and security systems, development of fixed exhibits and miscellaneous building and utility improvements at Commonwealth owned museums and historic sites. Also may include furniture and equipment authorizations.	\$ 17,431	\$ 18,457	\$ 19,482	\$ 20,507
<b>Military and Veterans Affairs</b>				
PUBLIC IMPROVEMENT PROJECTS: Provides for land acquisition, renovations, additions and replacement at the State armories and veterans' homes. Also may include furniture and equipment authorizations.	3,785	4,008	4,230	4,453
<b>Public Welfare</b>				
PUBLIC IMPROVEMENT PROJECTS: Provides for construction and renovation of patient buildings, support facilities and utilities at the State institutions for the mentally ill and mentally retarded, restoration centers and youth development centers. Also may include furniture and equipment authorizations.	10,776	11,410	12,044	12,678
<b>State Police</b>				
PUBLIC IMPROVEMENT PROJECTS: Provides for renovation, expansion and construction of troop headquarters/station facilities and driver examination facilities. May include furniture and equipment authorizations.	11,457	12,130	12,804	13,478
<b>Transportation</b>				
PUBLIC IMPROVEMENT PROJECTS: Provides for construction of and additions to highway maintenance and district office buildings, driver examination facilities, welcome centers and State-owned airport facilities. Also may include furniture and equipment authorizations.	7,372	7,806	8,239	8,673
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.	80,000	80,000	90,000	100,000
<b>CAPITAL FACILITIES BOND FUNDS</b>				
Total — Public Improvement Program.....	\$ 170,000	\$ 180,000	\$ 190,000	\$ 200,000
Total — Flood Control Program.....	2,105	1,205	630	600
Total — Transportation Assistance Program.....	80,000	80,000	90,000	100,000
<b>SUBTOTAL— CAPITAL FACILITIES BOND FUNDS.....</b>	<b>\$ 252,105</b>	<b>\$ 261,205</b>	<b>\$ 280,630</b>	<b>\$ 300,600</b>



# Capital Budget

## Forecast of Future Projects

(Dollar Amounts in Thousands)

	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>FROM CURRENT REVENUES</b>				
<b>Conservation and Natural Resources</b>				
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.	\$ 16,000	\$ 10,000	\$ 10,000	\$ 8,000
PUBLIC IMPROVEMENT PROJECTS — ENVIRONMENTAL STEWARDSHIP FUND: Provides for the acquisition, rehabilitation and development of open space, forests, parks and scenic environments.	10,000	20,000	20,000	25,000
<b>Fish and Boat Commission</b>				
PUBLIC IMPROVEMENT PROJECTS - FISH AND BOAT FUND: Provides for acquisition of property, construction of new capital assets and renovation of existing facilities for the development of fisheries and recreational boating facilities.	3,000	3,000	3,000	3,000
<b>Game Commission</b>				
PUBLIC IMPROVEMENT PROJECTS — GAME FUND: Provides for acquisition of additional State game lands.	2,000	1,000	1,000	1,000
<b>Transportation</b>				
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.	150,000	180,000	200,000	200,000
<b>CURRENT REVENUES</b>				
Total – Public Improvement Program.....	\$ 31,000	\$ 34,000	\$ 34,000	\$ 37,000
Total – Highway Program.....	150,000	180,000	200,000	200,000
<b>SUBTOTAL – CURRENT REVENUES.....</b>	<b>181,000</b>	<b>214,000</b>	<b>234,000</b>	<b>237,000</b>
<b>TOTAL – ALL PROGRAMS.....</b>	<b>\$ 433,105</b>	<b>\$ 475,205</b>	<b>\$ 514,630</b>	<b>\$ 537,600</b>



## ESTIMATED CAPITAL PROJECT EXPENDITURES BY DEPARTMENT

This table provides a summary of total estimated capital expenditures for State funds by department.

(Dollar Amounts in Thousands)

Department	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
Executive Offices.....	\$ 82,483	\$ 0	\$ 0	\$ 0	\$ 0
Agriculture.....	3,044	3,489	2,918	2,375	1,629
Conservation and Natural Resources.....	35,265	45,803	46,732	48,260	53,221
Community and Economic Development.....	369,062	324,698	191,884	95,468	45,639
Corrections.....	86,183	79,723	29,849	31,896	44,267
Education.....	162,300	119,681	87,039	88,177	86,179
Emergency Management Agency.....	1,924	1,912	1,714	1,652	1,573
Environmental Protection.....	25,316	27,405	27,344	15,837	11,689
Fish and Boat Commission.....	2,103	3,103	4,103	3,750	3,750
Game Commission.....	0	2,000	1,000	1,000	1,000
General Services.....	104,229	59,460	48,620	41,964	33,493
Historical and Museum Commission.....	7,259	4,909	7,090	7,383	11,676
Military and Veterans Affairs.....	4,971	6,607	6,009	5,263	5,205
Public Welfare.....	17,577	14,019	12,056	11,567	11,496
State Police.....	2,170	1,737	2,538	4,280	7,292
Transportation.....	444,867	447,251	451,200	459,000	468,950
<b>TOTAL - ALL STATE FUNDS.....</b>	<b>\$ 1,348,753</b>	<b>\$ 1,141,797</b>	<b>\$ 920,096</b>	<b>\$ 817,872</b>	<b>\$ 787,059</b>

## Estimate of Capital Expenditures

This table provides estimated capital expenditures by department for currently authorized capital projects, projects recommended in this budget and potential future authorizations.

(Dollar Amounts in Thousands)

	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>CAPITAL FACILITIES BOND FUNDS</b>					
<b>Executive Offices</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 43,496	\$ 0	\$ 0	\$ 0	\$ 0
Furniture and Equipment.....	38,987	0	0	0	0
<b>TOTAL - EXECUTIVE OFFICES.....</b>	<b>\$ 82,483</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Agriculture</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 2,959	\$ 3,467	\$ 2,795	\$ 2,069	\$ 1,008
Furniture and Equipment.....	85	10	3	0	0
Future Projects (2001-05)					
Buildings and Structures.....	0	12	120	306	621
<b>TOTAL - AGRICULTURE.....</b>	<b>\$ 3,044</b>	<b>\$ 3,489</b>	<b>\$ 2,918</b>	<b>\$ 2,375</b>	<b>\$ 1,629</b>
<b>Conservation and Natural Resources</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 13,771	\$ 7,878	\$ 6,064	\$ 4,489	\$ 2,187
Furniture and Equipment.....	259	668	479	0	0
Projects in 2000-01 Budget					
Buildings and Structures.....	118	1,060	1,767	2,945	4,712
Furniture and Equipment.....	69	211	0	0	0
Future Projects (2001-05)					
Buildings and Structures.....	0	208	2,089	5,326	10,822
Furniture and Equipment.....	0	278	833	0	0
<b>TOTAL - CONSERVATION AND NATURAL RESOURCES.....</b>	<b>\$ 14,217</b>	<b>\$ 10,303</b>	<b>\$ 11,232</b>	<b>\$ 12,760</b>	<b>\$ 17,721</b>
<b>Community and Economic Development</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	69,062	64,115	18,690	7,468	3,639
Furniture and Equipment.....	0	583	194	0	0
Subtotal.....	\$ 69,062	\$ 64,698	\$ 18,884	\$ 7,468	\$ 3,639
Redevelopment Assistance Projects					
Projects Currently Authorized					
Acquisition and Construction.....	300,000	260,000	173,000	88,000	42,000
<b>TOTAL - COMMUNITY AND ECONOMIC DEVELOPMENT.....</b>	<b>\$ 369,062</b>	<b>\$ 324,698</b>	<b>\$ 191,884</b>	<b>\$ 95,468</b>	<b>\$ 45,639</b>



# Capital Budget

## Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>Corrections</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 85,395	\$ 74,337	\$ 19,186	\$ 9,823	\$ 4,786
Furniture and Equipment.....	0	0	0	650	650
Projects in 2000-01 Budget					
Buildings and Structures.....	435	3,917	6,529	10,882	17,410
Future Projects (2001-05)					
Buildings and Structures.....	0	411	4,134	10,541	21,421
<b>TOTAL - CORRECTIONS.....</b>	<b>\$ 85,830</b>	<b>\$ 78,665</b>	<b>\$ 29,849</b>	<b>\$ 31,896</b>	<b>\$ 44,267</b>
<b>Education</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 148,880	\$ 85,632	\$ 58,645	\$ 43,407	\$ 21,151
Furniture and Equipment.....	13,072	27,719	11,612	29,788	38,084
Projects in 2000-01 Budget					
Buildings and Structures.....	324	2,916	4,859	8,099	12,958
Furniture and Equipment.....	24	71	0	0	0
Future Projects (2000-04)					
Buildings and Structures.....	0	268	2,699	6,883	13,986
Furniture and Equipment.....	0	3,075	9,224	0	0
<b>TOTAL - EDUCATION.....</b>	<b>\$ 162,300</b>	<b>\$ 119,681</b>	<b>\$ 87,039</b>	<b>\$ 88,177</b>	<b>\$ 86,179</b>
<b>Emergency Management Agency</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 1,866	\$ 1,654	\$ 1,300	\$ 962	\$ 469
Projects in 2000-01 Budget					
Buildings and Structures.....	28	248	414	690	1,104
Furniture and Equipment.....	30	10	0	0	0
<b>TOTAL - EMERGENCY MANAGEMENT.....</b>	<b>\$ 1,924</b>	<b>\$ 1,912</b>	<b>\$ 1,714</b>	<b>\$ 1,652</b>	<b>\$ 1,573</b>
<b>Environmental Protection</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 18,430	\$ 17,861	\$ 14,167	\$ 10,486	\$ 5,109
Furniture and Equipment.....	0	1,999	666	0	0
Projects in 2000-01 Budget					
Buildings and Structures.....	37	335	558	930	1,488
Future Projects (2001-05)					
Buildings and Structures.....	0	85	858	2,188	4,447
<b>Subtotal.....</b>	<b>\$ 18,467</b>	<b>\$ 20,280</b>	<b>\$ 16,249</b>	<b>\$ 13,604</b>	<b>\$ 11,044</b>



## Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>Environmental Protection (continued)</b>					
Flood Control Projects					
Projects Currently Authorized					
Structures and Improvements.....	\$ 6,755	\$ 6,401	\$ 9,419	\$ 1,000	\$ 0
Projects in 2000-01 Budget					
Structures and Improvements.....	94	387	94	0	0
Future Projects (2001-05)					
Structures and Improvements.....	0	337	1,582	1,233	645
Subtotal .....	<u>\$ 6,849</u>	<u>\$ 7,125</u>	<u>\$ 11,095</u>	<u>\$ 2,233</u>	<u>\$ 645</u>
<b>TOTAL - ENVIRONMENTAL PROTECTION.....</b>	<b><u>\$ 25,316</u></b>	<b><u>\$ 27,405</u></b>	<b><u>\$ 27,344</u></b>	<b><u>\$ 15,837</u></b>	<b><u>\$ 11,689</u></b>
<b>General Services</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 88,853	\$ 56,318	\$ 43,204	\$ 31,979	\$ 15,581
Furniture and Equipment.....	15,199	1,337	666	225	0
Projects in 2000-01 Budget					
Buildings and Structures.....	177	1,597	2,662	4,437	7,099
Future Projects (2001-05)					
Buildings and Structures.....	0	208	2,088	5,323	10,813
<b>TOTAL - GENERAL SERVICES.....</b>	<b><u>\$ 104,229</u></b>	<b><u>\$ 59,460</u></b>	<b><u>\$ 48,620</u></b>	<b><u>\$ 41,964</u></b>	<b><u>\$ 33,493</u></b>
<b>Historical and Museum Commission</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 6,805	\$ 3,797	\$ 2,856	\$ 2,114	\$ 1,030
Furniture and Equipment.....	435	127	242	0	0
Projects in 2000-01 Budget					
Buildings and Structures.....	19	173	288	480	768
Future Projects (2001-05)					
Buildings and Structures.....	0	174	1,754	4,471	9,085
Furniture and Equipment.....	0	638	1,950	318	793
<b>TOTAL - HISTORICAL AND MUSEUM .....</b>	<b><u>\$ 7,259</u></b>	<b><u>\$ 4,909</u></b>	<b><u>\$ 7,090</u></b>	<b><u>\$ 7,383</u></b>	<b><u>\$ 11,676</u></b>
<b>Military and Veterans Affairs</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 4,895	\$ 5,492	\$ 4,412	\$ 3,266	\$ 1,591
Furniture and Equipment.....	35	708	601	0	0
Projects in 2000-01 Budget					
Buildings and Structures.....	41	369	615	1,026	1,641
Future Projects (2001-05)					
Buildings and Structures.....	0	38	381	971	1,973
<b>TOTAL - MILITARY AFFAIRS.....</b>	<b><u>\$ 4,971</u></b>	<b><u>\$ 6,607</u></b>	<b><u>\$ 6,009</u></b>	<b><u>\$ 5,263</u></b>	<b><u>\$ 5,205</u></b>



# Capital Budget

## Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>Public Welfare</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 17,503	\$ 12,942	\$ 9,966	\$ 7,376	\$ 3,594
Furniture and Equipment.....	17	455	149	0	0
Projects in 2000-01 Budget					
Buildings and Structures.....	57	514	857	1,428	2,285
Future Projects (2001-05)					
Buildings and Structures.....	0	108	1,084	2,763	5,617
<b>TOTAL - PUBLIC WELFARE.....</b>	<b>\$ 17,577</b>	<b>\$ 14,019</b>	<b>\$ 12,056</b>	<b>\$ 11,567</b>	<b>\$ 11,496</b>
<b>State Police</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 2,146	\$ 1,332	\$ 1,001	\$ 741	\$ 361
Furniture and Equipment.....	0	74	25	0	0
Projects in 2000-01 Budget					
Buildings and Structures.....	24	216	360	600	960
Future Projects (2001-05)					
Buildings and Structures.....	0	115	1,152	2,939	5,971
<b>TOTAL - STATE POLICE.....</b>	<b>\$ 2,170</b>	<b>\$ 1,737</b>	<b>\$ 2,538</b>	<b>\$ 4,280</b>	<b>\$ 7,292</b>
<b>Transportation</b>					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 4,059	\$ 3,201	\$ 2,555	\$ 1,891	\$ 921
Furniture and Equipment.....	0	1,538	513	0	0
Projects in 2000-01 Budget					
Buildings and Structures.....	49	444	740	1,233	1,972
Future Projects (2001-05)					
Buildings and Structures.....	0	74	741	1,891	3,843
Subtotal.....	\$ 4,108	\$ 5,257	\$ 4,549	\$ 5,015	\$ 6,736
Transportation Assistance Projects					
Projects Currently Authorized					
Mass Transit, Rail and Air.....	\$ 119,000	\$ 93,000	\$ 78,000	\$ 66,000	\$ 60,000
Projects in 2000-01 Budget					
Mass Transit, Rail and Air.....	31,000	21,000	16,000	11,000	10,000
Future Projects (2001-05)					
Mass Transit, Rail and Air.....	0	36,000	56,000	73,000	80,000
Subtotal.....	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
<b>TOTAL - TRANSPORTATION.....</b>	<b>\$ 154,108</b>	<b>\$ 155,257</b>	<b>\$ 154,549</b>	<b>\$ 155,015</b>	<b>\$ 156,736</b>



# Capital Budget

## Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>TOTAL - CAPITAL FACILITIES BOND FUNDS</b>					
Public Improvement Projects					
Buildings and Structures.....	\$ 509,429	\$ 351,516	\$ 221,590	\$ 202,423	\$ 202,423
Furniture and Equipment.....	68,212	39,501	27,157	30,981	39,527
Redevelopment Assistance Projects					
Acquisition and Construction.....	300,000	260,000	173,000	88,000	42,000
Flood Control Projects					
Structures and Improvements.....	6,849	7,125	11,095	2,233	645
Transportation Assistance Projects					
Mass Transit, Rail and Air.....	150,000	150,000	150,000	150,000	150,000
<b>TOTAL.....</b>	<b>\$ 1,034,490</b>	<b>\$ 808,142</b>	<b>\$ 582,842</b>	<b>\$ 473,637</b>	<b>\$ 434,595</b>

### CURRENT REVENUES

#### FISH AND BOAT FUND

##### Fish and Boat Commission

Public Improvement Projects					
Projects Currently Authorized.....	\$ 2,103	\$ 2,103	\$ 2,103	\$ 750	\$ 750
Future Projects (2001-05).....	0	1,000	2,000	3,000	3,000
<b>TOTAL - FISH AND BOAT COMMISSION.....</b>	<b>\$ 2,103</b>	<b>\$ 3,103</b>	<b>\$ 4,103</b>	<b>\$ 3,750</b>	<b>\$ 3,750</b>

#### GAME FUND

##### Game Commission

Public Improvement Projects					
Future Projects (2001-05).....	0	2,000	1,000	1,000	1,000
<b>TOTAL - GAME COMMISSION.....</b>	<b>\$ 0</b>	<b>\$ 2,000</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>

#### GENERAL FUND

##### Corrections

Public Improvement Projects - Buildings and Structures.....					
Projects in 2000-01 Budget.....	\$ 353	\$ 1,058	\$ 0	\$ 0	\$ 0
<b>TOTAL - CORRECTIONS.....</b>	<b>\$ 353</b>	<b>\$ 1,058</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

#### KEYSTONE RECREATION, PARK AND CONSERVATION FUND

##### Conservation and Natural Resources

Keystone Recreation, Park and Conservation Projects - Acquisition, Improvements and Restoration					
Projects Currently Authorized.....	\$ 8,500	\$ 10,500	\$ 5,497	\$ 5,737	\$ 0
Projects in 2000-01 Budget.....	2,000	0	5,003	4,763	8,546
Future Projects (2001-05).....	0	0	0	0	1,954
<b>Subtotal.....</b>	<b>\$ 10,500</b>	<b>\$ 10,500</b>	<b>\$ 10,500</b>	<b>\$ 10,500</b>	<b>\$ 10,500</b>





## Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>ENVIRONMENTAL STEWARDSHIP FUND</b>					
<b>Conservation and Natural Resources</b>					
Environmental Stewardship Projects - Acquisition, Rehabilitation and Development					
Projects in 2000-01 Budget.....	\$ 10,548	\$ 25,000	\$ 25,000	\$ 3,637	\$ 0
Future Projects (2001-05).....	0	0	0	21,363	25,000
Subtotal.....	<u>\$ 10,548</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>
<b>TOTAL - CONSERVATION AND NATURAL RESOURCES.....</b>	<b><u>\$ 21,048</u></b>	<b><u>\$ 35,500</u></b>	<b><u>\$ 35,500</u></b>	<b><u>\$ 35,500</u></b>	<b><u>\$ 35,500</u></b>
<b>MOTOR LICENSE FUND</b>					
<b>Transportation</b>					
Highway and Bridge Projects					
Projects Currently Authorized.....	\$ 290,759	\$ 289,994	\$ 292,651	\$ 291,985	\$ 293,214
Projects in 2000-01 Budget.....	0	2,000	4,000	10,000	15,000
Future Projects (2001-05).....	0	0	0	2,000	4,000
<b>TOTAL - TRANSPORTATION.....</b>	<b><u>\$ 290,759</u></b>	<b><u>\$ 291,994</u></b>	<b><u>\$ 296,651</u></b>	<b><u>\$ 303,985</u></b>	<b><u>\$ 312,214</u></b>
<b>TOTAL - CURRENT REVENUES</b>					
Public Improvement Projects					
Fish and Boat Fund.....	\$ 2,103	\$ 3,103	\$ 4,103	\$ 3,750	\$ 3,750
Public Improvement Projects Game Fund.....	0	2,000	1,000	1,000	1,000
Public Improvement Projects General Fund.....	353	1,058	0	0	0
Acquisition, Improvement and Restoration Projects					
Keystone Recreation, Park and Conservation Fund.....	10,500	10,500	10,500	10,500	10,500
Acquisition, Rehabilitation and Development Projects					
Environmental Stewardship Fund.....	10,548	25,000	25,000	25,000	25,000
Highway and Bridge Projects Motor License Fund.....	290,759	291,994	296,651	303,985	312,214
<b>TOTAL - CURRENT REVENUES.....</b>	<b><u>\$ 314,263</u></b>	<b><u>\$ 333,655</u></b>	<b><u>\$ 337,254</u></b>	<b><u>\$ 344,235</u></b>	<b><u>\$ 352,464</u></b>
<b>TOTAL - ALL STATE FUNDS.....</b>	<b><u>\$ 1,348,753</u></b>	<b><u>\$ 1,141,797</u></b>	<b><u>\$ 920,096</u></b>	<b><u>\$ 817,872</u></b>	<b><u>\$ 787,059</u></b>





Governor's Executive Budget

# *PUBLIC DEBT*



---

# PUBLIC DEBT

This section presents data on the debt obligations of the Commonwealth. Debt financing is used by the Commonwealth to finance its capital programs, finance voter-approved bond referendums, and fund certain disaster relief programs. Most long-term financing by the Commonwealth is provided by the issuance of general obligation debt. Appropriation-backed debt has been used in limited instances for capital purposes. Data on such debt is included in this presentation only in the calculation of the debt ratios shown.

The Commonwealth Constitution permits debt to be issued for (i) capital projects in approved capital budgets; (ii) purposes approved by voter referendum; and (iii) response to disasters. The following items are guidelines the Commonwealth follows in executing its capital and other debt financing activities:

- Referendums to authorize additional debt should be submitted to the voters only for critical needs when sufficient other resources are not available.
  - The general obligation pledge of the Commonwealth is the preferred source of security for Commonwealth debt.
  - A moral obligation pledge of the Commonwealth is not to be given beyond those already given.
  - Revenue pledges are to be used only by independent agencies and authorities that cannot pledge the Commonwealth's general obligation.
  - Lease revenue debt should be used only when budgetary restraints prohibit current revenue funding for assets that are infrequently obtained and do not meet capital project definitions.
  - Debt should be structured to mature within the useful life of the projects being financed, but for no longer than 20 years.
  - All long-term financing should be sold by competitive bid.
  - Short-term borrowing should not comprise a majority of outstanding debt.
  - Level principal maturity structures are the preferred debt structure for long-term financings.
  - Debt service paid by the General Fund should not exceed four percent of revenues.
  - Capital projects addressing health, safety and public protection receive top priority for activation. New construction projects have the lowest priority.
  - Highway capital projects should be funded from current revenues of the Motor License Fund.
- 



## DEBT AUTHORIZED, ISSUED AND OUTSTANDING

The following statement reflects the debt of the Commonwealth as of December 31, 1999, including bond anticipation notes. Issues that have been completely redeemed, such as those of the General State Authority, which went out of existence in July 1997, are not included. The Constitution permits capital budget debt to be issued without voter approval but subject to a debt limit. Except for debt issued for disaster recovery purposes, all other debt requires voter approval.

	(Dollar Amounts in Thousands)		
	Total Debt Authorized	Total Original Debt Issued	Debt Outstanding*
<b>Debt Subject to Constitutional Limit</b>			
Capital Budget.....	\$ 39,516,625	\$ 10,217,330	\$ 3,297,405
Capital Budget Refunding Bonds Outstanding.....			1,176,260
Less: Capital Debt Fund Balance.....			-144,906
Subtotal.....	<u>\$ 39,516,625</u>	<u>\$ 10,217,330</u>	<u>\$ 4,328,759</u>
<b>Debt Not Subject to Constitutional Limit - Voter Approved and Disaster</b>			
Disaster Relief.....	\$ 192,708	\$ 170,800	\$ 23,155
Disaster Relief 1996.....	110,000	22,500	22,500
Economic Revitalization.....	190,000	176,000	28,985
Land and Water Development.....	500,000	499,700	39,260
Nursing Home Loan Agency.....	100,000	69,000	1,600
Project 70 Land Acquisition.....	70,000	70,000	770
Vietnam Veterans' Compensation.....	65,000	62,000	3,850
Volunteer Companies Loan.....	50,000	50,000	23,525
Water Facilities - 1981 Referendum.....	300,000	288,500	107,935
PENNVEST- 1988 & 1992 Referenda.....	650,000	377,000	244,435
Agricultural Conservation Easement.....	100,000	100,000	70,765
Local Criminal Justice.....	200,000	189,000	155,625
Keystone Recreation, Park and Conservation.....	50,000	50,000	45,025
Refunding Bonds Outstanding.....			187,581
Less: Non-capital Sinking Fund Balances.....			-162
Subtotal.....	<u>\$ 2,577,708</u>	<u>\$ 2,124,500</u>	<u>\$ 954,849</u>
<b>TOTAL.....</b>	<u><b>\$ 42,094,333</b></u>	<u><b>\$ 12,341,830</b></u>	<u><b>\$ 5,283,608</b></u>

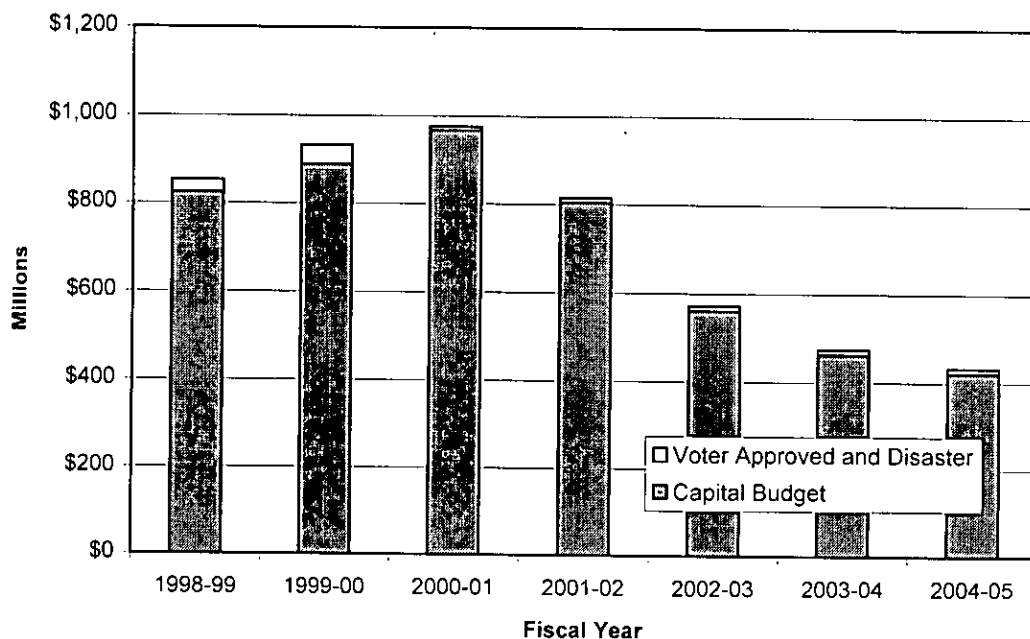
\* Total of debt issued plus accreted interest on capital appreciation bonds less debt redeemed or refunded.



## GENERAL OBLIGATION BOND ISSUES 1998-99 Through 2004-05

This table shows the projected amount of general obligation bonds of the Commonwealth to be issued during the current fiscal year and the subsequent five fiscal years based on current projects. Refunding bonds are not included in the data.

### New General Obligation Bond Issues



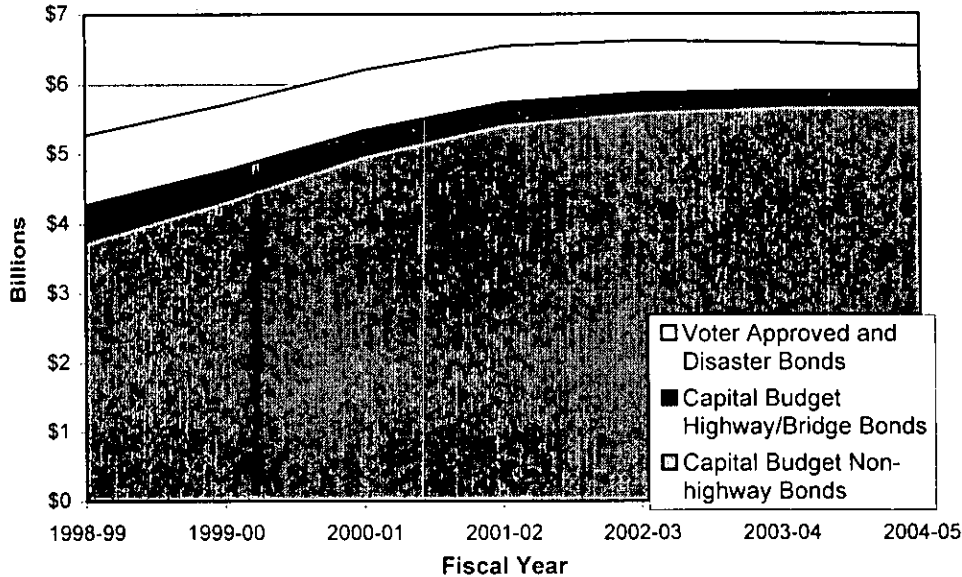
General Obligation Bond Issues	(Dollar Amounts in Thousands)						
	1998-99 Actual	1999-00 Estimated	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>Capital Budget</b>							
Buildings and Structures.....	\$ 615,000	\$ 320,000	\$ 450,000	\$ 350,000	\$ 200,000	\$ 200,000	\$ 200,000
Flood Control.....	0	3,000	7,000	8,000	12,000	2,000	0
Furnishings and Equipment.....	6,000	146,000	70,000	30,000	28,000	30,000	30,000
Redevelopment Assistance.....	55,000	270,000	280,000	260,000	170,000	80,000	40,000
Transportation Assistance.....	148,000	150,000	160,000	155,000	150,000	150,000	150,000
Subtotal.....	<u>\$ 824,000</u>	<u>\$ 889,000</u>	<u>\$ 967,000</u>	<u>\$ 803,000</u>	<u>\$ 560,000</u>	<u>\$ 462,000</u>	<u>\$ 420,000</u>
<b>Voter Approved and Disaster</b>							
Agricultural Conservation Easement.....	\$ 19,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Disaster Relief.....	0	23,000	2,020	0	0	0	0
Local Criminal Justice.....	3,000	1,000	2,000	2,000	2,000	2,000	2,000
PENNVEST -- 1988 & 1992 Referenda.....	7,000	20,000	5,000	10,000	10,000	10,000	10,000
Water Facilities Loan -- 1981 Referendum.....	0	1,500	0	0	0	0	0
Subtotal.....	<u>\$ 29,000</u>	<u>\$ 45,500</u>	<u>\$ 9,020</u>	<u>\$ 12,000</u>	<u>\$ 12,000</u>	<u>\$ 12,000</u>	<u>\$ 12,000</u>
<b>TOTAL.....</b>	<u><b>\$ 853,000</b></u>	<u><b>\$ 934,500</b></u>	<u><b>\$ 976,020</b></u>	<u><b>\$ 815,000</b></u>	<u><b>\$ 572,000</b></u>	<u><b>\$ 474,000</b></u>	<u><b>\$ 432,000</b></u>



## GENERAL OBLIGATION DEBT OUTSTANDING 1998-99 Through 2004-05

Outstanding debt of the Commonwealth is projected using the proposed bond issuance contained in this budget and encompasses all general obligation debt. Sinking fund balances are excluded. Only capital budget debt is subject to the constitutional debt limit [Article VIII, Section 7(a)(4)].

**Projected Total Debt Outstanding  
Fiscal Year End**



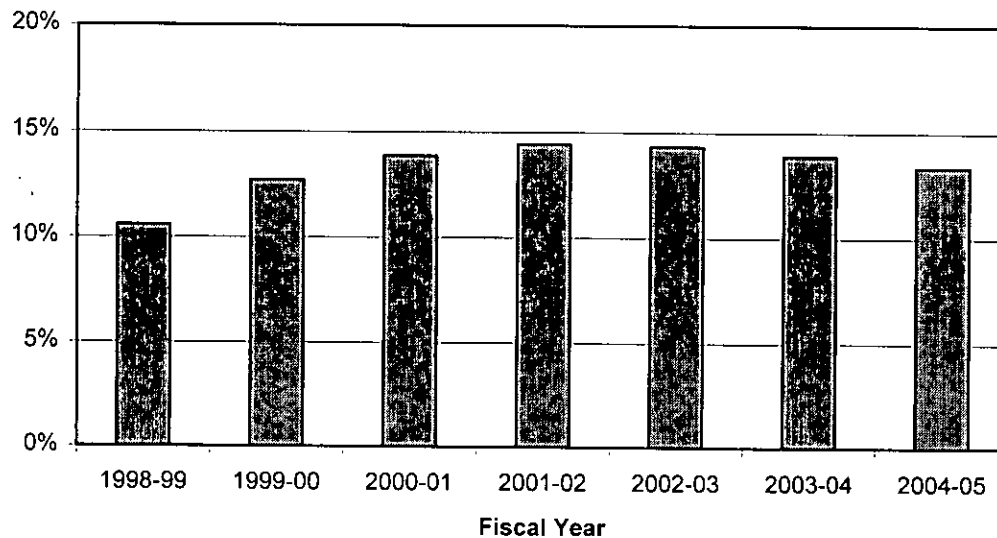
	(Dollar Amounts in Thousands)						
	1998-99 Actual	1999-00 Estimated	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>Fiscal Year End Debt Outstanding</b>							
Capital Budget Non-highway Bonds...	\$ 3,750,439	\$ 4,340,670	\$ 4,991,935	\$ 5,439,723	\$ 5,620,926	\$ 5,683,937	\$ 5,691,735
Capital Budget Highway/Bridge Bonds	528,869	432,147	352,491	300,551	257,193	222,826	204,475
Voter Approved and Disaster Bonds...	994,985	939,304	868,383	805,543	743,064	689,114	640,333
<b>TOTAL</b> .....	<b>\$ 5,274,293</b>	<b>\$ 5,712,121</b>	<b>\$ 6,212,809</b>	<b>\$ 6,545,817</b>	<b>\$ 6,621,183</b>	<b>\$ 6,595,877</b>	<b>\$ 6,536,543</b>



## CONSTITUTIONAL DEBT LIMIT 1998-99 Through 2004-05

The Commonwealth Constitution limits outstanding capital budget debt to 1.75 times the average tax revenues during the previous five (5) fiscal years. Voter approved and disaster relief debt are not subject to the constitutional debt limit. The table and chart below present actual data for one fiscal year and current projections for five fiscal years.

### Capital Budget Debt as a Percent of the Debt Limit



(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Estimated	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>Debt Limit Projection</b>							
<b>Capital Budget Debt Subject to Constitutional Debt Limit:</b>							
Outstanding Debt							
Beginning of Fiscal Year.....	\$ 3,679,286	\$ 3,925,229	\$ 4,772,817	\$ 5,344,426	\$ 5,740,274	\$ 5,878,119	\$ 5,906,763
Debt to be Issued.....	824,000	889,000	967,000	803,000	560,000	462,000	420,000
Debt to be Retired*.....	-578,057	-41,412	-395,391	-407,152	-422,155	-433,356	-430,553
Outstanding Debt							
End of Fiscal Year**.....	<u>\$ 3,925,229</u>	<u>\$ 4,772,817</u>	<u>\$ 5,344,426</u>	<u>\$ 5,740,274</u>	<u>\$ 5,878,119</u>	<u>\$ 5,906,763</u>	<u>\$ 5,896,210</u>
Debt Limit (from below).....	37,173,449	37,564,356	38,537,912	39,789,072	41,052,561	42,557,790	44,140,461
Capital Budget Debt as a percent of Debt Limit.....	10.6%	12.7%	13.9%	14.4%	14.3%	13.9%	13.4%
<b>Calculation of Debt Limit:</b>							
Average Tax Revenues							
Previous Five Years.....	\$ 21,241,971	\$ 21,465,346	\$ 22,021,664	\$ 22,736,613	\$ 23,458,606	\$ 24,318,737	\$ 25,223,120
Debt Limit (1.75 times revenues).....	37,173,449	37,564,356	38,537,912	39,789,072	41,052,561	42,557,790	44,140,461

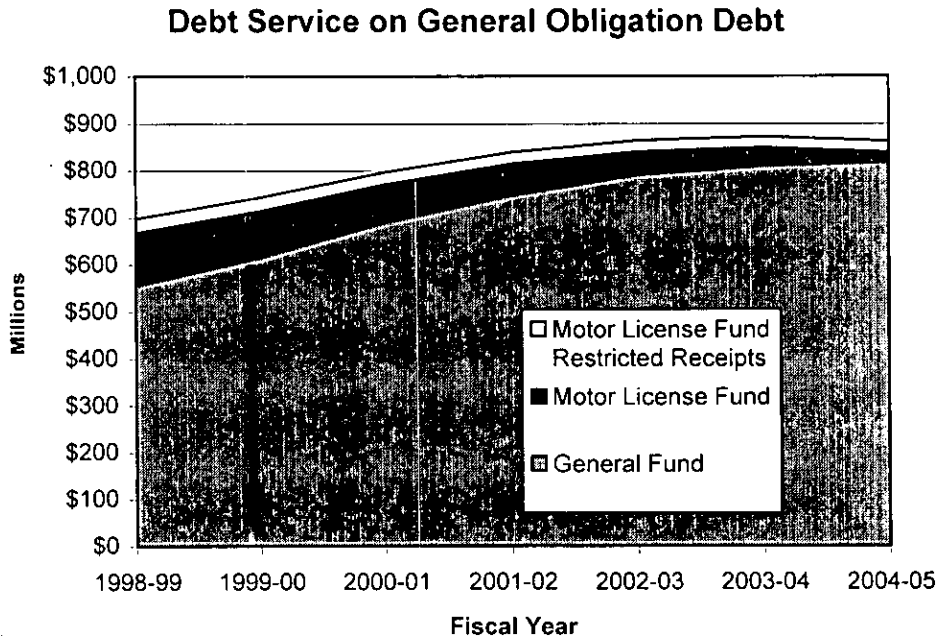
\* Net of interest accreting on capital appreciation bonds during fiscal year.

\*\* 1998-99 amount is net of sinking fund balances.



## DEBT SERVICE ON GENERAL OBLIGATION DEBT 1998-99 Through 2004-05

This table shows the amounts necessary to pay estimated debt service by the Commonwealth on currently outstanding general obligation bonds, outstanding bond anticipation notes, and on projected general obligation bond issues.



	(Dollar Amounts in Thousands)						
	1998-99 Actual	1999-00 Estimated	2000-01 Budget	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated
<b>General Fund</b>							
Capital Budget Non-Highway.....	\$ 429,433	\$ 497,518	\$ 567,260	\$ 629,794	\$ 676,606	\$ 706,940	\$ 722,963
Voter Approved and Disaster.....	136,004	132,686	131,929	122,930	119,509	107,846	99,672
Augmentations, Interest and Misc. Revenue.....	-9,989	-14,504	-9,334	-5,414	-5,394	-5,375	-5,359
Subtotal.....	<u>\$ 555,448</u>	<u>\$ 615,700</u>	<u>\$ 689,855</u>	<u>\$ 747,310</u>	<u>\$ 790,721</u>	<u>\$ 809,411</u>	<u>\$ 817,276</u>
<b>Motor License Fund</b>							
Capital Budget -- Highways.....	\$ 111,801	\$ 98,128	\$ 79,841	\$ 59,113	\$ 40,965	\$ 30,704	\$ 13,012
Capital Budget.....	1,260	1,327	1,442	9,044	9,298	9,298	9,207
Subtotal.....	<u>\$ 113,061</u>	<u>\$ 99,455</u>	<u>\$ 81,283</u>	<u>\$ 68,157</u>	<u>\$ 50,263</u>	<u>\$ 40,002</u>	<u>\$ 22,219</u>
<b>Motor License Fund Restricted Receipts</b>							
Aviation -- Capital Budget.....	\$ 27	\$ 27	\$ 27	\$ 27	\$ 0	\$ 0	\$ 0
Highway Bridge Improvement -- Capital Budget.....	29,684	28,552	26,341	24,220	23,874	23,426	24,000
Subtotal.....	<u>\$ 29,711</u>	<u>\$ 28,579</u>	<u>\$ 26,368</u>	<u>\$ 24,247</u>	<u>\$ 23,874</u>	<u>\$ 23,426</u>	<u>\$ 24,000</u>
<b>General Fund Restricted Receipts</b>							
Public Utility Commission.....	\$ 0	\$ 0	\$ 0	\$ 3,230	\$ 3,230	\$ 3,230	\$ 3,230
Subtotal.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,230</u>	<u>\$ 3,230</u>	<u>\$ 3,230</u>	<u>\$ 3,230</u>
<b>TOTAL.....</b>	<u><u>\$ 698,220</u></u>	<u><u>\$ 743,734</u></u>	<u><u>\$ 797,506</u></u>	<u><u>\$ 842,944</u></u>	<u><u>\$ 868,088</u></u>	<u><u>\$ 876,069</u></u>	<u><u>\$ 866,725</u></u>

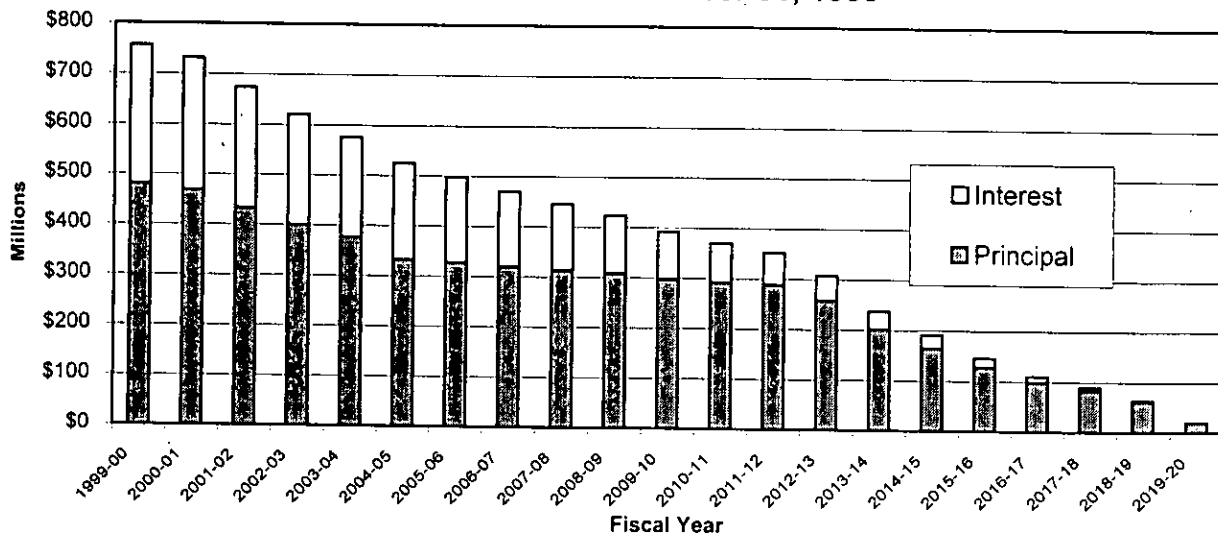
\*Includes bonds issued to refund Capital Budget bonds.



## ANNUAL DEBT SERVICE ON OUTSTANDING GENERAL OBLIGATION BONDS Bonds Issued as of December 31, 1999

Fiscal year principal and interest payments on general obligation bonds issued as of the end of calendar year 1999 are shown in the table below. Debt service on outstanding bond anticipation notes is not included. Debt service on projected bond issues is also excluded from this data.

### Principal and Interest on Outstanding Bonds Issued as of December 31, 1999



### General Obligation Bond Annual Debt Service

(Dollar Amounts in Thousands)

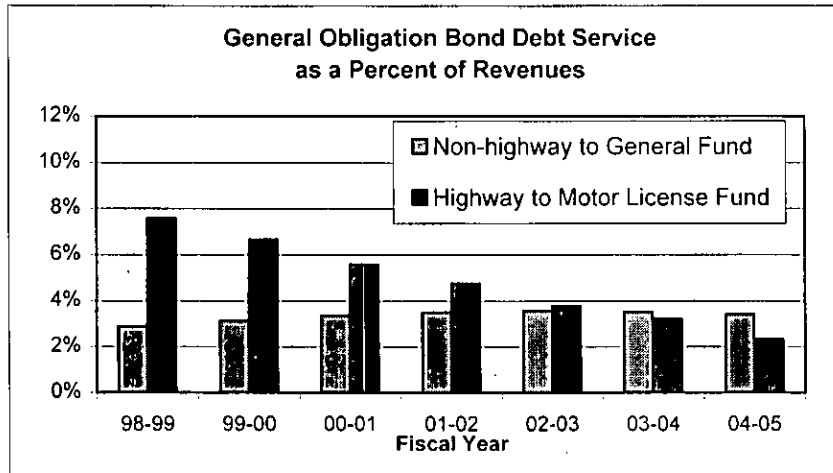
Fiscal Year	Capital Budget (Non-highway)			Capital Budget (Highway)			Voter Approved and Disaster			Grand Total
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	
1999-00	\$ 296,538	\$ 200,806	\$ 497,344	\$ 101,657	\$ 25,021	\$ 126,678	\$ 81,155	\$ 51,048	\$ 132,203	\$ 756,225
2000-01	302,012	196,268	498,280	85,443	20,737	106,180	79,740	46,999	126,739	731,199
2001-02	292,091	180,997	473,088	66,288	17,043	83,331	74,506	42,908	117,414	673,833
2002-03	274,546	168,073	442,619	51,018	13,819	64,837	73,548	39,337	112,885	620,341
2003-04	267,669	153,518	421,187	43,054	11,074	54,128	64,707	35,440	100,147	575,462
2004-05	249,032	147,292	396,324	25,474	11,536	37,010	56,670	34,260	90,930	524,264
2005-06	244,771	131,441	376,212	25,686	11,342	37,028	55,683	28,917	84,600	497,840
2006-07	239,611	115,777	355,388	23,516	8,271	31,787	56,092	25,871	81,963	469,138
2007-08	230,483	103,479	333,962	23,758	7,016	30,774	58,066	22,767	80,833	445,569
2008-09	226,754	91,276	318,030	20,830	5,752	26,582	59,511	19,557	79,068	423,680
2009-10	218,153	76,733	294,886	18,225	3,072	21,297	60,097	16,255	76,352	392,535
2010-11	212,072	65,085	277,157	17,341	2,083	19,424	61,232	12,906	74,138	370,719
2011-12	210,068	53,903	263,971	15,798	1,189	16,987	62,028	9,515	71,543	352,501
2012-13	190,425	43,221	233,646	8,875	513	9,388	57,605	6,204	63,809	306,843
2013-14	163,570	33,493	197,063	1,905	107	2,012	34,595	3,445	38,040	237,115
2014-15	145,205	24,853	170,058	0	0	0	18,670	1,835	20,505	190,563
2015-16	115,370	17,596	132,966	0	0	0	12,010	961	12,971	145,937
2016-17	94,330	11,758	106,088	0	0	0	4,170	408	4,578	110,666
2017-18	78,640	6,909	85,549	0	0	0	3,550	198	3,748	89,297
2018-19	59,150	3,045	62,195	0	0	0	1,550	45	1,595	63,790
2019-20	19,750	568	20,318	0	0	0	100	3	103	20,421



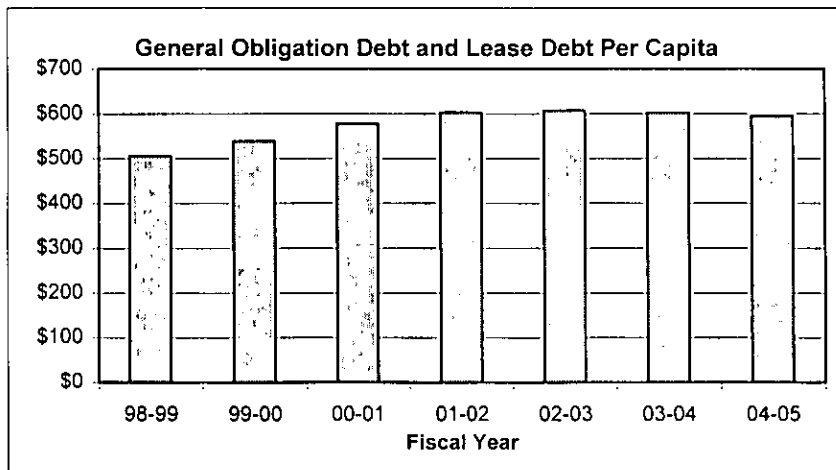
## TRENDS IN DEBT SERVICE AND DEBT RATIOS 1998-99 Through 2004-05

The charts portray projections for indicators of the cost of projected annual debt service and the burden of projected debt outstanding. Debt service does not include debt paid from lease rental payments. Outstanding debt includes general obligation debt and debt secured by lease rental payments from various Commonwealth departments.

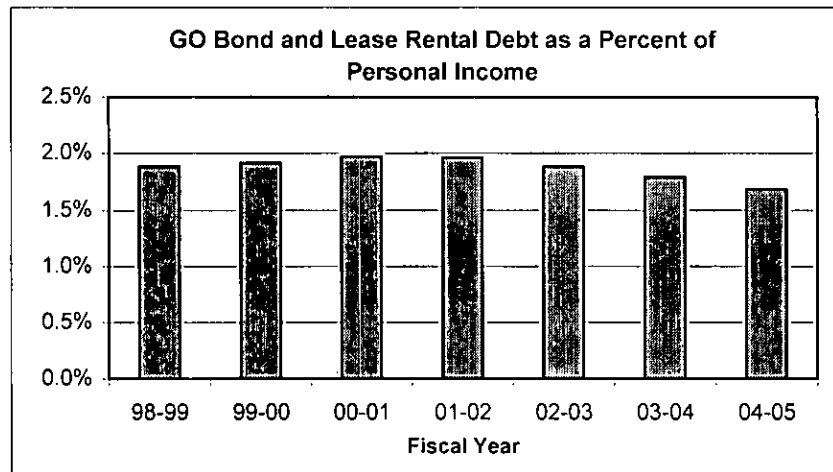
*Current revenue financing for highway projects reduces the Motor License Fund debt service ratio.*



*Investment in economic development and community facilities causes per capita debt to rise.*



*The rise in debt service from the anticipated increase in bond issuance will be affordable.*



## OUTSTANDING INDEBTEDNESS OF PENNSYLVANIA AGENCIES AND AUTHORITIES

The indebtedness of the following agencies and authorities is not an obligation of the Commonwealth of Pennsylvania but represents the debt of those agencies and authorities created by the Commonwealth for a public purpose. These obligations are not considered as debt under Article VIII of the State Constitution.

Bonds and  
Notes as of  
06/30/99  
(in millions)

<p><b>Delaware River Joint Toll Bridge Commission</b> 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.</p>	\$ 51.4
<p><b>Delaware River Port Authority</b> 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.</p>	623.2
<p><b>Pennsylvania Economic Development Financing Authority</b> 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.</p>	1,239.7
<p><b>Pennsylvania Energy Development Authority</b> 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.</p>	42.1
<p><b>Pennsylvania Higher Education Assistance Agency</b> Makes or guarantees student loans for graduate and undergraduate programs to students or parents, lending institutions or postsecondary institutions. Debt service on the bonds is paid by loan interest and repayments and by other agency revenues.</p>	1,783.8
<p><b>Pennsylvania Higher Educational Facilities Authority</b> 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.</p>	3,522.5
<p><b>Pennsylvania Housing Finance Agency</b> 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.</p>	2,749.3
<p><b>Pennsylvania Industrial Development Authority</b> 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.</p>	373.8
<p><b>Pennsylvania Infrastructure Investment Authority</b> 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.</p>	186.9
<p><b>Pennsylvania Turnpike Commission</b> Constructs, maintains and operates the Pennsylvania Turnpike. Debt service on the bonds is paid from tolls and other revenue sources of the commission.</p>	1,573.1
<p><b>Philadelphia Regional Port Authority</b> Operates port facilities in Bucks and Delaware counties, and the City of Philadelphia. Debt service on the bonds is paid by a pledge of the authority's revenues, rentals and receipts.</p>	57.9
<p><b>State Public School Building Authority</b> 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.</p>	347.5
<p>TOTAL.....</p>	<p><u>\$ 12,551.2</u></p>





Governor's Executive Budget

*OTHER  
SPECIAL FUNDS*



---

# 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 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 or transfers made 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, 1999.

This format for displaying financial data was chosen for its simplicity and easy adaptability to all funds. As such, the data may not present the best statement of the funds' condition nor accurately describe the operating characteristics of the funds.

The vast majority of 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 that normally finance the construction or acquisition of designated fixed assets.

**Debt Service Funds** — These funds account for the accumulation of resources, principally from transfers from other funds, for the payment of general long-term debt principal and interest.

**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 government 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)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning.....	\$ 14,030	\$ 14,091	\$ 12,481
<b>Receipts:</b>			
Federal Funds.....	\$ 2,204	\$ 2,200	\$ 2,200
Interest.....	721	700	700
Total Receipts.....	<u>2,925</u>	<u>2,900</u>	<u>2,900</u>
<b>Total Funds Available.....</b>	<b>\$ 16,955</b>	<b>\$ 16,991</b>	<b>\$ 15,381</b>
<b>Disbursements:</b>			
Environmental Protection.....	\$ 2,864	\$ 4,510	\$ 4,707
Total Disbursements.....	<u>-2,864</u>	<u>-4,510</u>	<u>-4,707</u>
<b>Cash Balance, Ending.....</b>	<b>\$ 14,091</b>	<b>\$ 12,481</b>	<b>\$ 10,674</b>

# 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)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning.....	\$ 948	\$ 1,005	\$ 953
<b>Receipts:</b>			
Federal Unemployment Trust Fund.....	\$ 190,683	\$ 190,852	\$ 191,000
Federal — Other Funds.....	4,465	4,500	4,500
Other.....	85	85	85
Total Receipts.....	<u>195,233</u>	<u>195,437</u>	<u>195,585</u>
<b>Total Funds Available.....</b>	<b>\$ 196,181</b>	<b>\$ 196,442</b>	<b>\$ 196,538</b>
<b>Disbursements:</b>			
Labor and Industry.....	\$ 195,176	\$ 195,489	\$ 195,595
Total Disbursements.....	<u>-195,176</u>	<u>-195,489</u>	<u>-195,595</u>
<b>Cash Balance, Ending.....</b>	<b>\$ 1,005</b>	<b>\$ 953</b>	<b>\$ 943</b>



# Agricultural College Land Scrip Fund

This fund was established in 1862 with \$500,000 received from the sale of lands and scrip which was donated to the Commonwealth by an Act of Congress to establish a college for the benefit of Agriculture and the Mechanical Arts (The Pennsylvania State University). The income derived from the investment of the monies in the fund plus appropriations which may be made from time to time by the General Assembly serve as revenue to the fund. Monies in this fund can be disbursed only for use by the officially designated land grant college (The Pennsylvania State University) for the benefit of Agriculture and Mechanical

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning.....	\$ 631	\$ 631	\$ 630
<b>Receipts:</b>			
Interest on Securities.....	\$ 33	\$ 33	\$ 33
Total Receipts.....	33	33	33
<b>Total Funds Available.....</b>	<b>\$ 664</b>	<b>\$ 664</b>	<b>\$ 663</b>
<b>Disbursements:</b>			
Treasury.....	\$ 33	\$ 34	\$ 34
Total Disbursements.....	-33	-34	-34
<b>Cash Balance, Ending.....</b>	<b>\$ 631</b>	<b>\$ 630</b>	<b>\$ 629</b>

# Agricultural Conservation Easement Purchase Fund

This fund was created by Act 64 of 1988 to implement the referendum approved by the electorate November 8, 1988. That referendum authorized the Commonwealth to incur indebtedness of \$100 million to be used for farmland preservation through the purchase of agricultural conservation easements. Act 23 of 1992 increased the annual ceiling on easement purchases from bond sales from \$20 to \$25 million. All bonds authorized have been issued.

Act 22 of 1991 provided that two thirty-firsts of the cigarette tax be transferred twice a year into the fund. Act 15 of 1999 created a supplemental program for farmland preservation, and Act 1-A of 1999 appropriated \$43,000 from the General Fund for that supplemental program. Act 68 of 1999, the Environmental Stewardship and Watershed Protection Act, provided for an additional General Fund transfer in 1999-00 and established a four year transfer from the Environmental Stewardship Fund beginning on July 1, 2000, to fund the purchase of easements.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning.....	\$ 1,774	\$ 11,577	\$ 59,011
<b>Receipts:</b>			
Sale of Bonds.....	\$ 19,294	\$ 0	\$ 0
Interest on Securities.....	694	400	400
Transfer of Cigarette Tax.....	21,853	20,800	19,700
Sale of State Farms.....	1,735	0	0
Transfer from the General Fund.....	0	63,000	0
Transfer from the Environmental Stewardship Fund.....	0	0	20,002
Other.....	48	1,234	0
Total Receipts.....	43,624	85,434	40,102
<b>Total Funds Available.....</b>	<b>\$ 45,398</b>	<b>\$ 97,011</b>	<b>\$ 99,113</b>
<b>Disbursements:</b>			
Treasury.....	\$ 4,012	\$ 0	\$ 0
Agriculture.....	29,809	38,000	65,000
Total Disbursements.....	-33,821	-38,000	-65,000
<b>Cash Balance, Ending.....</b>	<b>\$ 11,577</b>	<b>\$ 59,011</b>	<b>\$ 34,113</b>





# Agricultural Conservation Easement Purchase Sinking Fund

Payment of interest and principal due on outstanding agricultural conservation easement purchase bonds is made from this fund. Revenues of this fund come from the annual appropriation from the General Fund for general obligation debt service.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 0	\$ 0	\$ 0
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 6,866	\$ 8,233	\$ 8,138
Accrued Interest on Bonds Sold.....	51	0	0
Total Receipts .....	6,917	8,233	8,138
<b>Total Funds Available .....</b>	<b>\$ 6,917</b>	<b>\$ 8,233</b>	<b>\$ 8,138</b>
<b>Disbursements:</b>			
Treasury.....	\$ 6,917	\$ 8,233	\$ 8,138
Total Disbursements .....	-6,917	-8,233	-8,138
<b>Cash Balance, Ending .....</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

# Anthracite Emergency Bond Fund

This fund was created by Act 171 of 1986 to provide loans for anthracite underground mine operators who cannot obtain necessary bonding or whose bonding has been cancelled due to insolvency or bankruptcy of the original bonding company. Revenues are provided by appropriation from the General Fund, a fee for each ton of coal estimated by certain mine operations and payments made by operators in lieu of a bond. Act 173 of 1992 extended the program to anthracite surface mine operators.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 303	\$ 320	\$ 244
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 0	\$ 0	\$ 0
Operator Payments.....	1	2	2
Production Fees.....	0	5	5
Interest .....	16	17	17
Total Receipts .....	17	24	24
<b>Total Funds Available .....</b>	<b>\$ 320</b>	<b>\$ 344</b>	<b>\$ 268</b>
<b>Disbursements:</b>			
Environmental Protection .....	\$ 0	\$ 100	\$ 5
Total Disbursements .....	0	-100	-5
<b>Cash Balance, Ending .....</b>	<b>\$ 320</b>	<b>\$ 244</b>	<b>\$ 263</b>



# Automobile Theft Prevention Trust Fund

The Automobile Theft Prevention Trust Fund was created by Act 171 of 1994. The purpose of the fund is to finance programs in the Commonwealth to prevent, combat and reduce automobile theft and to improve and support automobile theft prosecutions. Revenue to the fund consists of assessments on the insurance companies that conduct business in the Commonwealth; interest earnings; and fines and penalties.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 2,195	\$ 1,379	\$ 1,974
Receipts:			
Assessments.....	\$ 4,275	\$ 5,315	\$ 5,245
Interest on Securities.....	123	180	190
Fines and Penalties Income.....	0	1	1
Total Receipts .....	<u>4,398</u>	<u>5,496</u>	<u>5,436</u>
Total Funds Available .....	<u>\$ 6,593</u>	<u>\$ 6,875</u>	<u>\$ 7,410</u>
Disbursements:			
Automobile Theft Prevention Authority.....	\$ 5,214	\$ 4,901	\$ 6,181
Total Disbursements .....	<u>-5,214</u>	<u>-4,901</u>	<u>-6,181</u>
Cash Balance, Ending .....	<u>\$ 1,379</u>	<u>\$ 1,974</u>	<u>\$ 1,229</u>

# Ben Franklin / IRC Partnership Fund

This fund supports the activities of the Ben Franklin/IRC Partnership which was created by Act 64 of 1993. The partnership helps small and medium-sized businesses. The Ben Franklin component assists technology, research and start-up companies to do applied research and development projects and to develop and introduce new products and processes. The Industrial Resource Center (IRC) component assists companies in solving problems through the deployment of technologies and with training programs in order to maintain a technically skilled workforce.

The Ben Franklin technology centers and the industrial resource centers receive separate allocations from the State appropriation made to the partnership to support their efforts. In addition, both receive any other moneys, including earmarked Federal funds, credited to the fund.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 9,429	\$ 12,999	\$ 13,349
Receipts:			
Transfer from General Fund.....	\$ 40,400	\$ 36,900	\$ 39,100
Federal Revenue.....	625	3,000	0
Interest on Securities.....	788	800	650
Total Receipts .....	<u>41,813</u>	<u>40,700</u>	<u>39,750</u>
Total Funds Available .....	<u>\$ 51,242</u>	<u>\$ 53,699</u>	<u>\$ 53,099</u>
Disbursements:			
Community and Economic Development.....	\$ 38,243	\$ 40,350	\$ 39,100
Total Disbursements .....	<u>-38,243</u>	<u>-40,350</u>	<u>-39,100</u>
Cash Balance, Ending .....	<u>\$ 12,999</u>	<u>\$ 13,349</u>	<u>\$ 13,999</u>



# Capital Debt Fund

Principal and interest payments on bonds issued for purposes of capital budget projects are paid from this fund. Annual appropriations from various funds for payment of interest and principal due on general obligation bonds is the primary source of revenue. Funds in the excess of interest and principal falling due in any one particular fiscal year may be used by the Board of Finance and Revenue to retire any other general obligation bonds issued to provide revenue to the Capital Facilities Fund.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 165,968	\$ 369,008	\$ 368,008
<b>Receipts:</b>			
Transfer from Other Funds.....	\$ 798,916	\$ 611,900	\$ 386,213
Rentals - State-Aided and State- Related Institutions.....	1,827	1,827	1,827
Interest Subsidy - Higher Education Construction Projects.....	158	157	157
Sale of Bonds- Bond Anticipation Notes Payment....	31,000	22,500	60,000
Refunding Bond Maturing Escrow Funds.....	657,911	182,765	163,294
Accrued Interest on Bonds Sold.....	1,830	1,144	0
Interest on Securities.....	2,417	8,000	4,000
<b>Total Receipts</b> .....	<u>1,494,059</u>	<u>828,293</u>	<u>615,491</u>
<b>Total Funds Available</b> .....	\$ <u>1,660,027</u>	\$ <u>1,197,301</u>	\$ <u>983,499</u>
<b>Disbursements:</b>			
Treasury.....	\$ 1,291,019	\$ 829,293	\$ 896,491
<b>Total Disbursements</b> .....	<u>-1,291,019</u>	<u>-829,293</u>	<u>-896,491</u>
<b>Cash Balance, Ending</b> .....	\$ <u>369,008</u>	\$ <u>368,008</u>	\$ <u>87,008</u>



# Capital Facilities Fund

This fund is used to meet the financial costs of capital projects authorized by capital budget acts. Revenue for this fund comes principally from the sale of general obligation debt and interest earnings. Debt issued for this fund is subject to a debt limit equal to one and three quarter times the average of annual tax revenues in the preceding five fiscal years. This fund has at least one account for each category of capital projects. Interest earned on investment or deposit of monies in the fund is credited to the account in the fund to which such invested or deposited money was originally credited. Project money that remained after the refunding of the General State Authority was deposited in this fund and used for the maintenance and repair of General State Authority projects.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 69,381</b>	<b>\$ 227,069</b>	<b>\$ 262,659</b>
<b>Receipts:</b>			
Sale of Bonds.....	\$ 819,695	\$ 880,110	\$ 957,330
Interest on Securities.....	8,878	8,000	10,388
Other .....	68,845	30,000	20,000
<b>Total Receipts</b> .....	<b>897,418</b>	<b>918,110</b>	<b>987,718</b>
<b>Total Funds Available</b> .....	<b>\$ 966,799</b>	<b>\$ 1,145,179</b>	<b>\$ 1,250,377</b>
<b>Disbursements:</b>			
Community and Economic Development.....	\$ 70,776	\$ 195,350	\$ 301,400
Environmental Protection.....	5,258	2,327	6,884
General Services.....	473,849	518,952	580,241
Transportation.....	151,023	165,448	150,800
Other.....	38,824	443	0
<b>Total Disbursements</b> .....	<b>-739,730</b>	<b>-882,520</b>	<b>-1,039,325</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 227,069</b>	<b>\$ 262,659</b>	<b>\$ 211,052</b>

# 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)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 215</b>	<b>\$ 235</b>	<b>\$ 188</b>
<b>Receipts:</b>			
Contributions and Sales.....	\$ 17	\$ 20	\$ 20
Other.....	12	13	12
<b>Total Receipts</b> .....	<b>29</b>	<b>33</b>	<b>32</b>
<b>Total Funds Available</b> .....	<b>\$ 244</b>	<b>\$ 268</b>	<b>\$ 220</b>
<b>Disbursements:</b>			
Capitol Preservation Committee.....	\$ 9	\$ 80	\$ 40
<b>Total Disbursements</b> .....	<b>-9</b>	<b>-80</b>	<b>-40</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 235</b>	<b>\$ 188</b>	<b>\$ 180</b>



# 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 72 of 1995 authorizes the transfer of funds from this fund to a restricted receipt account for the purpose of paying settlements and court orders arising from legal action related to contracts with Envirotest, Inc. Act 72 prohibits the transfer of funds for Envirotest, Inc. settlements if such transfer would jeopardize timely payment and processing of catastrophic loss benefits. Accordingly, in fiscal year 1997-98 the fund borrowed \$52.5 million from the Workers' Compensation Security Fund in order to make the final payments on the Envirotest, Inc. settlement.

No obligation or expense of, or claim against, the fund constitutes a debt of the Commonwealth or a charge against the General Fund or the Motor License Fund.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 63,451	\$ 27,252	\$ 30,636
<b>Receipts:</b>			
Moving Violation Surcharge.....	\$ 39,225	\$ 36,000	\$ 36,000
Interest .....	1,305	900	900
Miscellaneous.....	2	13	13
Total Receipts .....	<u>40,532</u>	<u>36,913</u>	<u>36,913</u>
<b>Total Funds Available .....</b>	<b>\$ 103,983</b>	<b>\$ 64,165</b>	<b>\$ 67,549</b>
<b>Disbursements:</b>			
Transportation.....	\$ 55,134	\$ 0	\$ 0
Insurance.....	21,597	15,529	15,631
Loan Repayment.....	0	18,000	12,000
Total Disbursements .....	<u>-76,731</u>	<u>-33,529</u>	<u>-27,631</u>
<b>Cash Balance, Ending .....</b>	<b>\$ 27,252</b>	<b>\$ 30,636</b>	<b>\$ 39,918</b>



# Children's Trust Fund

Act 151 of 1988 created the Children's Trust Fund. Revenue is generated by a \$10 surcharge on marriage licenses and divorce applications. Expenditures are for community-based children's programs and services for child abuse and neglect prevention.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 3,245	\$ 3,247	\$ 2,777
<b>Receipts:</b>			
Marriage/Divorce Surcharge.....	\$ 1,264	\$ 1,260	\$ 1,260
Miscellaneous Revenue.....	162	120	120
Total Receipts .....	1,426	1,380	1,380
<b>Total Funds Available .....</b>	<b>\$ 4,671</b>	<b>\$ 4,627</b>	<b>\$ 4,157</b>
<b>Disbursements:</b>			
Public Welfare.....	\$ 1,424	\$ 1,850	\$ 1,850
Total Disbursements .....	-1,424	-1,850	-1,850
<b>Cash Balance, Ending .....</b>	<b>\$ 3,247</b>	<b>\$ 2,777</b>	<b>\$ 2,307</b>

# 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)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 32,674	\$ 36,447	\$ 29,814
<b>Receipts:</b>			
Fines and Penalties.....	\$ 2,300	\$ 2,000	\$ 2,000
Fees.....	17,813	18,105	18,100
Interest.....	2,163	2,000	1,900
Total Receipts .....	22,276	22,105	22,000
<b>Total Funds Available .....</b>	<b>\$ 54,950</b>	<b>\$ 58,552</b>	<b>\$ 51,814</b>
<b>Disbursements:</b>			
Environmental Protection .....	\$ 18,503	\$ 28,738	\$ 34,057
Total Disbursements .....	-18,503	-28,738	-34,057
<b>Cash Balance, Ending .....</b>	<b>\$ 36,447</b>	<b>\$ 29,814</b>	<b>\$ 17,757</b>



# 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.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 23,406	\$ 26,432	\$ 27,286
<b>Receipts:</b>			
Premiums Collected.....	\$ 4,078	\$ 4,200	\$ 4,300
Interest.....	1,294	1,200	1,200
Other.....	0	30	30
Total Receipts .....	5,372	5,430	5,530
<b>Total Funds Available .....</b>	<b>\$ 28,778</b>	<b>\$ 31,862</b>	<b>\$ 32,816</b>
<b>Disbursements:</b>			
Environmental Protection .....	\$ 2,346	\$ 4,576	\$ 4,804
Total Disbursements .....	-2,346	-4,576	-4,804
<b>Cash Balance, Ending .....</b>	<b>\$ 26,432</b>	<b>\$ 27,286</b>	<b>\$ 28,012</b>

# 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)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 1,591	\$ 1,677	\$ 1,727
<b>Receipts:</b>			
Sale of Land.....	\$ 0	\$ 0	\$ 0
Interest.....	86	50	50
Total Receipts .....	86	50	50
<b>Total Funds Available .....</b>	<b>\$ 1,677</b>	<b>\$ 1,727</b>	<b>\$ 1,777</b>
<b>Disbursements:</b>			
Environmental Protection .....	\$ 0	\$ 0	\$ 0
Total Disbursements .....	0	0	0
<b>Cash Balance, Ending .....</b>	<b>\$ 1,677</b>	<b>\$ 1,727</b>	<b>\$ 1,777</b>



# 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)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 55	\$ 57	\$ 60
<b>Receipts:</b>			
Interest on Securities .....	\$ 2	\$ 3	\$ 3
Total Receipts .....	<u>2</u>	<u>3</u>	<u>3</u>
<b>Total Funds Available .....</b>	<b>\$ 57</b>	<b>\$ 60</b>	<b>\$ 63</b>
<b>Disbursements:</b>			
Historical and Museum Commission .....	\$ 0	\$ 0	\$ 0
Total Disbursements .....	<u>0</u>	<u>0</u>	<u>0</u>
<b>Cash Balance, Ending .....</b>	<b>\$ 57</b>	<b>\$ 60</b>	<b>\$ 63</b>

# Deferred Compensation Fund

Act 81 of 1987 established the Commonwealth Deferred Compensation Program. The program enables Commonwealth employees to defer a portion of their salaries into a retirement savings plan. The State Employees' Retirement System is responsible for administration of the act.

Contributions to the fund began in 1988. The disbursements shown under the Executive Offices are employee contribution funds transferred to one of the investment plan options. Those funds, together with the interest they earn, are available to employees upon retirement.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 1,013	\$ 42,428	\$ 48,680
<b>Receipts:</b>			
Employee Contributions .....	\$ 102,579	\$ 96,459	\$ 99,700
Premium on Sale of Securities .....	27,644	0	0
Interest .....	6,387 <sup>a</sup>	6,500 <sup>a</sup>	6,500 <sup>a</sup>
Total Receipts .....	<u>136,610</u>	<u>102,959</u>	<u>106,200</u>
<b>Total Funds Available .....</b>	<b>\$ 137,623</b>	<b>\$ 145,387</b>	<b>\$ 154,880</b>
<b>Disbursements:</b>			
Executive Offices .....	\$ 90,163	\$ 89,707	\$ 92,721
State Employees' Retirement System .....	5,032	7,000	8,783
Total Disbursements .....	<u>-95,195</u>	<u>-96,707</u>	<u>-101,504</u>
<b>Cash Balance, Ending .....</b>	<b>\$ 42,428</b>	<b>\$ 48,680</b>	<b>\$ 53,376</b>

<sup>a</sup> Includes interest earned on funds controlled by State Employees Retirement System and Department of the Treasury.



# Deferred Compensation Fund — Short-Term Portfolio

Act 81 of 1987 established the Commonwealth Deferred Compensation Program. The program enables Commonwealth employees to defer a portion of their salaries into a retirement savings plan. Available for the employees' investment selection is the Treasury Short-Term Money Market Account. In order to maintain the identity of the investments and deferred compensation contributions, the Deferred Compensation Fund - Short-Term Portfolio was established.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 13,521	\$ 18,136	\$ 19,611
<b>Receipts:</b>			
Transfers from Deferred Compensation Fund.....	\$ 3,819 <sup>a</sup>	\$ 4,123	\$ 4,724
Interest .....	796	876	962
Total Receipts .....	4,615	4,999	5,686
<b>Total Funds Available .....</b>	<b>\$ 18,136</b>	<b>\$ 23,135</b>	<b>\$ 25,297</b>
<b>Disbursements:</b>			
State Employees' Retirement System .....	\$ 0	\$ 3,524	\$ 3,937
Total Disbursements .....	0	-3,524	-3,937
<b>Cash Balance, Ending .....</b>	<b>\$ 18,136</b>	<b>\$ 19,611</b>	<b>\$ 21,360</b>

<sup>a</sup> Net result of transfer into fund of \$7,916,000 from Deferred Compensation Fund and transfer to State Employees' Retirement Fund of \$4,097,000.

# Disaster Relief Fund

Act 4 of Special Session One of 1972 provided authority for implementation of a \$140 million bond issue for redevelopment of Commonwealth areas affected by the great storms and flood of September 1971 and June 1972; it was amended in 1978 to include the flood of July 1977 and to increase the bond authority to \$190 million. Activity in that program was completed in 1991.

Act 4 of Special Session Two of 1996 authorized a \$110 million bond issue for rehabilitation of areas affected by the blizzard of January 1996 and the resulting flood emergency.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 898	\$ 326	\$ 270
<b>Receipts:</b>			
Sale of Bonds.....	\$ 2,300	\$ 1,500	\$ 1,020
Miscellaneous Revenue.....	39	20	20
Total Receipts .....	2,339	1,520	1,040
<b>Total Funds Available .....</b>	<b>\$ 3,237</b>	<b>\$ 1,846</b>	<b>\$ 1,310</b>
<b>Disbursements:</b>			
Treasury.....	\$ 39	\$ 26	\$ 10
Emergency Management Agency.....	2,872	1,550	1,300
Total Disbursements .....	-2,911	-1,576	-1,310
<b>Cash Balance, Ending .....</b>	<b>\$ 326</b>	<b>\$ 270</b>	<b>\$ 0</b>



# Disaster Relief Redemption Fund

Payment of interest and principal due on bonds issued for the Disaster Relief Fund are made from this fund. An annual appropriation from the General Fund for payment of interest and principal due on general obligation bonds is the primary source of revenue. Funds in excess of the interest and principal due in any one fiscal period may be used for retirement of all or any part of such bonds issued which are still outstanding.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 0	\$ 1	\$ 0
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 7,633	\$ 6,819	\$ 9,251
Miscellaneous Revenue.....	5	1	1
Total Receipts .....	<u>7,638</u>	<u>6,820</u>	<u>9,252</u>
<b>Total Funds Available .....</b>	<b>\$ 7,638</b>	<b>\$ 6,821</b>	<b>\$ 9,252</b>
<b>Disbursements:</b>			
Treasury.....	\$ 7,637	\$ 6,821	\$ 9,252
Total Disbursements .....	<u>-7,637</u>	<u>-6,821</u>	<u>-9,252</u>
<b>Cash Balance, Ending .....</b>	<b>\$ 1</b>	<b>\$ 0</b>	<b>\$ 0</b>

# DNA Detection Fund

This fund was created by Act 14 of Special Session One of 1995 to account for the collection and processing of Deoxyribonucleic Acid (DNA) samples by State Police from individuals convicted, adjudicated delinquent, or granted accelerated rehabilitation disposition for a felony sex offense or other specified offense. Revenues are derived from mandatory fees which are assessed on sexual offenders. Expenditures are made to establish and maintain a DNA database and DNA bank.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 43	\$ 89	\$ 76
<b>Receipts:</b>			
Assessments.....	\$ 61	\$ 65	\$ 70
Interest.....	3	4	4
Total Receipts .....	<u>64</u>	<u>69</u>	<u>74</u>
<b>Total Funds Available .....</b>	<b>\$ 107</b>	<b>\$ 158</b>	<b>\$ 150</b>
<b>Disbursements:</b>			
State Police.....	\$ 18	\$ 82	\$ 85
Total Disbursements .....	<u>-18</u>	<u>-82</u>	<u>-85</u>
<b>Cash Balance, Ending .....</b>	<b>\$ 89</b>	<b>\$ 76</b>	<b>\$ 65</b>



# 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 the Commonwealth; to provide assistance, coordination and support of the development and maintenance of the comprehensive emergency medical services system; to determine qualifications, eligibility and certification of emergency medical services personnel; and to fund ambulance services. The fund was created by The Emergency Medical Services Act, Act 45 of 1985. Act 121 of 1988 added a \$25 fee on persons admitted to programs for Accelerated Rehabilitation Disposition (ARD) related to driving under the influence of drugs and/or alcohol.

In addition to the fees 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)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 8,203	\$ 10,228	\$ 7,624
<b>Receipts:</b>			
Fines .....	\$ 12,085	\$ 12,085	\$ 12,085
Interest .....	476	476	476
Total Receipts .....	<u>12,561</u>	<u>12,561</u>	<u>12,561</u>
<b>Total Funds Available .....</b>	<b>\$ 20,764</b>	<b>\$ 22,789</b>	<b>\$ 20,185</b>
<b>Disbursements:</b>			
Health .....	\$ 10,536	\$ 14,716	\$ 12,275
Public Welfare .....	0	449	449
Total Disbursements .....	<u>-10,536</u>	<u>-15,165</u>	<u>-12,724</u>
<b>Cash Balance, Ending .....</b>	<b>\$ 10,228</b>	<b>\$ 7,624</b>	<b>\$ 7,461</b>



# Employment Fund for the Blind

This fund was created in 1967 to make loans to persons who are blind to purchase equipment, stock, merchandise and accessories necessary to put into operation vending or refreshment stands or other suitable business enterprises in suitable locations to be leased or arranged for by State agencies. Act 15 of 1999 transferred the authority to administer the Fund from the Department of Public Welfare to the Department of Labor and Industry.

Monies credited to this fund include: (1) repayment of money advanced to persons who are blind for the purchase of merchandise, equipment, stock and accessories; (2) rental fees paid by persons who are blind for leasing equipment and accessories purchased, owned, installed and maintained by the Department of Labor and Industry; (3) a percentage of the profits from vending machines in State buildings where a restaurant or cafeteria is operated by the Department of General Services; and (4) any grants or contributions from the Federal Government.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 3,265	\$ 3,134	\$ 2,911
<b>Receipts:</b>			
Federal Reimbursement - Business			
Enterprise Program .....	\$ 481	\$ 500	\$ 500
Vending Stand Equipment Rentals .....	215	200	200
Vending Machine Receipts .....	309	460	470
Interest .....	177	150	150
Other .....	210	35	50
Total Receipts .....	<u>1,392</u>	<u>1,345</u>	<u>1,370</u>
<b>Total Funds Available .....</b>	<b>\$ 4,657</b>	<b>\$ 4,479</b>	<b>\$ 4,281</b>
<b>Disbursements:</b>			
Treasury .....	\$ 0	\$ 5	\$ 5
Labor and Industry.....	0	1,563	1,590
Public Welfare.....	1,523	0	0
Total Disbursements .....	<u>-1,523</u>	<u>-1,568</u>	<u>-1,595</u>
<b>Cash Balance, Ending .....</b>	<b>\$ 3,134</b>	<b>\$ 2,911</b>	<b>\$ 2,686</b>



# Energy Conservation and Assistance Fund

This fund was created by Act 122 of 1986 to receive all oil overcharge settlements including the uncommitted balance of settlements received prior to the act. Appropriations are made from the fund for supplemental low-income weatherization and home energy assistance programs, and energy conservation activities.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 5,435	\$ 4,816	\$ 2,416
Receipts:			
Revenue Estimate.....	\$ 1,419	\$ 0	\$ 0
Other.....	319	200	200
Total Receipts .....	1,738	200	200
Total Funds Available .....	\$ 7,173	\$ 5,016	\$ 2,616
Disbursements:			
Environmental Protection.....	\$ 658	\$ 1,000	\$ 543
Public Welfare.....	1,699	1,600	1,300
Total Disbursements .....	-2,357	-2,600	-1,843
Cash Balance, Ending .....	\$ 4,816	\$ 2,416	\$ 773

# 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 included preparation of the energy development plan, payment of administrative costs, the making of grants and loans for limited research intended to make the greatest possible contributions to energy conservation and development, and the establishment of reserves in respect to loans guaranteed or bonds issued by the authority. The fund was supported by an appropriation from the General Fund as well as from interest earnings. The fund will terminate when project activity is complete.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 646	\$ 430	\$ 110
Receipts:			
Interest .....	\$ 32	\$ 30	\$ 15
Total Receipts .....	32	30	15
Total Funds Available .....	\$ 678	\$ 460	\$ 125
Disbursements:			
Community and Economic Development.....	\$ 248	\$ 350	\$ 125
Total Disbursements .....	-248	-350	-125
Cash Balance, Ending .....	\$ 430	\$ 110	\$ 0



# Environmental Education Fund

This fund was authorized by Act 24 of 1993 to provide environmental education programs and to provide grants to schools and other organizations. Funding is from the transfer of 5 percent of fines and penalties deposited in the special funds and restricted revenue accounts which are administered by the Department of Environmental Protection. Act 18 of 1995 requires that not less than 25 percent of the annual receipts of this fund shall be provided to the Department of Conservation and Natural Resources.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 477	\$ 540	\$ 312
<b>Receipts:</b>			
Transfers from Other Funds.....	\$ 373	\$ 356	\$ 350
Interest .....	34	35	35
Other.....	0	0	0
Total Receipts .....	407	391	385
<b>Total Funds Available .....</b>	<b>\$ 884</b>	<b>\$ 931</b>	<b>\$ 697</b>
<b>Disbursements:</b>			
Conservation and Natural Resources.....	\$ 66	\$ 100	\$ 100
Environmental Protection .....	278	519	442
Total Disbursements .....	-344	-619	-542
<b>Cash Balance, Ending .....</b>	<b>\$ 540</b>	<b>\$ 312</b>	<b>\$ 155</b>

# 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 unused funds remaining from a 1986-87 General Fund appropriation for Distressed Community Emergency Aid. In addition, Act 157 stipulated that all repayments on loans made from the fund should be redeposited into the fund and used to make additional loans and grants to distressed municipalities. Act 58 of 1996 transferred this program from the Department of Community Affairs to the Department of Community and Economic Development.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 6,389	\$ 7,569	\$ 6,169
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 1,000	\$ 0	\$ 0
Loan Repayments.....	853	1,000	1,000
Interest .....	407	400	375
Total Receipts .....	2,260	1,400	1,375
<b>Total Funds Available .....</b>	<b>\$ 8,649</b>	<b>\$ 8,969</b>	<b>\$ 7,544</b>
<b>Disbursements:</b>			
Community and Economic Development.....	\$ 1,080	\$ 2,800	\$ 4,300
Total Disbursements .....	-1,080	-2,800	-4,300
<b>Cash Balance, Ending .....</b>	<b>\$ 7,569</b>	<b>\$ 6,169</b>	<b>\$ 3,244</b>



# 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)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 53,367	\$ 53,312	\$ 53,302
Receipts:			
Tax Payable to Municipalities .....	\$ 53,238	\$ 53,328	\$ 60,000
Total Receipts .....	53,238	53,328	60,000
Total Funds Available .....	\$ 106,605	\$ 106,640	\$ 113,302
Disbursements:			
Auditor General .....	\$ 53,293	\$ 53,328	\$ 60,000
Treasury .....	0	10	5
Total Disbursements .....	-53,293	-53,338	-60,005
Cash Balance, Ending .....	\$ 53,312	\$ 53,302	\$ 53,297

# 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 for SARA Title III activities and administration of the program including data collection and management.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 1,590	\$ 1,604	\$ 1,584
Receipts:			
Toxic Chemical Release Form Fee .....	\$ 796	\$ 800	\$ 800
Chemical Inventory Fee .....	270	260	260
Interest on Securities .....	75	75	50
Other .....	88	80	0
Total Receipts .....	1,229	1,215	1,110
Total Funds Available .....	\$ 2,819	\$ 2,819	\$ 2,694
Disbursements:			
Emergency Management Agency .....	\$ 1,138	\$ 1,175	\$ 1,175
Labor and Industry .....	77	60	60
Total Disbursements .....	-1,215	-1,235	-1,235
Cash Balance, Ending .....	\$ 1,604	\$ 1,584	\$ 1,459



# 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 68 of 1999 authorized a transfer of up to \$30 million annually for five years to the Environmental Stewardship Fund to provide funding for various environmental programs.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 155,371</b>	<b>\$ 160,004</b>	<b>\$ 113,526</b>
<b>Receipts:</b>			
Capital Stock and Franchise Tax.....	\$ 45,631	\$ 26,000 <sup>a</sup>	\$ 26,900 <sup>a</sup>
Hazardous Waste Fee.....	2,234	2,400	2,400
Cost Recovery.....	5,104	5,000	4,000
Interest.....	8,244	6,500	5,500
Other.....	21	0	0
<b>Total Receipts</b> .....	<b>61,234</b>	<b>39,900</b>	<b>38,800</b>
<b>Total Funds Available</b> .....	<b>\$ 216,605</b>	<b>\$ 199,904</b>	<b>\$ 152,326</b>
<b>Disbursements:</b>			
Environmental Protection.....	\$ 56,601	\$ 86,378	\$ 70,300
<b>Total Disbursements</b> .....	<b>-56,601</b>	<b>-86,378</b>	<b>-70,300</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 160,004</b>	<b>\$ 113,526</b>	<b>\$ 82,026</b>

<sup>a</sup> Reflects 0.25 mill reduction in the Capital Stock and Franchise Tax rate, effective January 1, 1999.





# 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 Informational 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; 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)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 244,366	\$ 267,318	\$ 288,540
<b>Receipts:</b>			
Transfer from General Fund .....	\$ 314,666	\$ 353,218	\$ 384,781
Investment Earnings .....	14,414	14,398	16,422
Federal Revenue.....	356,356	355,666	354,578
Other.....	152,598	157,035	158,957
Net Investment Adjustment.....	423	0	0
Total Receipts .....	838,457	880,317	914,738
<b>Total Funds Available .....</b>	<b>\$ 1,082,823</b>	<b>\$ 1,147,635</b>	<b>\$ 1,203,278</b>
<b>Disbursements:</b>			
Treasury.....	\$ 47	\$ 0	\$ 0
Higher Education Assistance Agency.....	815,458	859,095	910,603
Total Disbursements .....	-815,505	-859,095	-910,603
<b>Cash Balance, Ending .....</b>	<b>\$ 267,318</b>	<b>\$ 288,540</b>	<b>\$ 292,675</b>

# Highway Beautification Fund

The Highway Beautification Fund was created by Act 5 of Special Session Three of 1966. Activities include control of outdoor advertising and 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 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)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 784	\$ 857	\$ 490
<b>Receipts:</b>			
Licenses and Fees.....	\$ 338	\$ 316	\$ 320
Other.....	43	38	40
Total Receipts .....	381	354	360
<b>Total Funds Available .....</b>	<b>\$ 1,165</b>	<b>\$ 1,211</b>	<b>\$ 850</b>
<b>Disbursements:</b>			
Treasury.....	\$ 0	\$ 6	\$ 6
Transportation.....	308	715	715
Total Disbursements .....	-308	-721	-721
<b>Cash Balance, Ending .....</b>	<b>\$ 857</b>	<b>\$ 490</b>	<b>\$ 129</b>



# 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)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 2,881	\$ 3,096	\$ 2,341
<b>Receipts:</b>			
Admission Fees.....	\$ 1,007	\$ 1,100	\$ 1,200
Interest .....	160	150	150
Other.....	3,188	3,000	3,000
Total Receipts .....	<u>4,355</u>	<u>4,250</u>	<u>4,350</u>
<b>Total Funds Available .....</b>	<b>\$ 7,236</b>	<b>\$ 7,346</b>	<b>\$ 6,691</b>
<b>Disbursements:</b>			
Treasury.....	\$ 0	\$ 5	\$ 5
Historical and Museum Commission.....	4,140	5,000	4,335
Total Disbursements .....	<u>-4,140</u>	<u>-5,005</u>	<u>-4,340</u>
Cash Balance, Ending .....	<u>\$ 3,096</u>	<u>\$ 2,341</u>	<u>\$ 2,351</u>

# HOME Investment Trust Fund

This fund was established by Act 172 of 1992 in order to administer Pennsylvania's program under the National Affordable Housing Act of 1990. Funding is provided by the Federal Department of Housing and Urban Development on an annual basis. Expenditures are for development and support of affordable rental housing and home ownership through the acquisition, new construction, reconstruction or rehabilitation of housing.

Act 58 of 1996 transferred this program from the Department of Community Affairs to the Department of Community and Economic Development.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 21 <sup>a</sup>	\$ 22	\$ 2
<b>Receipts:</b>			
Federal Revenue.....	\$ 6,313	\$ 14,580	\$ 14,600
Principal and Interest.....	19	100	100
Miscellaneous.....	5	300	300
Total Receipts .....	<u>6,337</u>	<u>14,980</u>	<u>15,000</u>
<b>Total Funds Available .....</b>	<b>\$ 6,358</b>	<b>\$ 15,002</b>	<b>\$ 15,002</b>
<b>Disbursements:</b>			
Community and Economic Development.....	\$ 6,336	\$ 15,000	\$ 15,000
Total Disbursements .....	<u>-6,336</u>	<u>-15,000</u>	<u>-15,000</u>
Cash Balance, Ending .....	<u>\$ 22</u>	<u>\$ 2</u>	<u>\$ 2</u>

<sup>a</sup> Adjusted to exclude disbursements included in the 1997-98 ending balance in last year's budget.



# Industrial Development Fund

Periodic General Fund appropriations made by the General Assembly to the Pennsylvania Industrial Development Authority (PIDA) are credited to this fund. From 1992 to 1994, these appropriations were replaced by an annual \$70 million transfer (\$17.5 million per quarter) of Corporate Net Income tax revenues as provided by Act 22 of 1991. This transfer ended at the close of the 1993-94 fiscal year as part of the PIDA recapitalization.

The fund makes loans to local industrial development agencies to stimulate economic activity in areas of high unemployment. Repayments of loans and other revenues, generally not credited to this fund, are used by PIDA to make additional loans.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 2,316	\$ 541	\$ 571
<b>Receipts:</b>			
General Fund Transfer.....	\$ 20,000	\$ 20,000	\$ 13,000
Interest on Securities.....	336	335	325
Total Receipts .....	<u>20,336</u>	<u>20,335</u>	<u>13,325</u>
<b>Total Funds Available .....</b>	<b>\$ 22,652</b>	<b>\$ 20,876</b>	<b>\$ 13,896</b>
<b>Disbursements:</b>			
Treasury.....	\$ 0	\$ 5	\$ 5
Community and Economic Development.....	22,111	20,300	13,300
Total Disbursements .....	<u>-22,111</u>	<u>-20,305</u>	<u>-13,305</u>
Cash Balance, Ending .....	<u>\$ 541</u>	<u>\$ 571</u>	<u>\$ 591</u>

# Industrial Sites Cleanup Fund

Act 2 of 1995 created the Industrial Sites Cleanup Fund to provide grants and loans to political subdivisions, local economic development agencies, and others who as part of an economic development strategy undertake voluntary cleanup of property contaminated by industrial activity. Revenue to the fund consists of transfers from the Hazardous Sites Cleanup Fund, any funds appropriated by the General Assembly, interest earnings, and loan repayments. Grants and loans are prioritized based on the benefit of the project to the public health and safety, the cost effectiveness of the project, the economic distress of the area, and the potential of the project to result in economic development.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 25,854	\$ 36,648	\$ 24,248
<b>Receipts:</b>			
Hazardous Sites Cleanup Fund.....	\$ 12,000	\$ 0	\$ 0
Loan Principal and Interest.....	40	200	250
Interest on Securities.....	1,328	1,500	1,500
Total Receipts .....	<u>13,368</u>	<u>1,700</u>	<u>1,750</u>
<b>Total Funds Available .....</b>	<b>\$ 39,222</b>	<b>\$ 38,348</b>	<b>\$ 25,998</b>
<b>Disbursements:</b>			
Community and Economic Development.....	\$ 2,574	\$ 14,100	\$ 14,100
Total Disbursements .....	<u>-2,574</u>	<u>-14,100</u>	<u>-14,100</u>
Cash Balance, Ending .....	<u>\$ 36,648</u>	<u>\$ 24,248</u>	<u>\$ 11,898</u>



# Insurance Fraud Prevention Trust Fund

The Insurance Fraud Prevention Trust Fund was created by Act 166 of 1994. The purpose of the fund is to finance activities in the Commonwealth to prevent, combat and reduce insurance fraud, and to improve and support insurance fraud law enforcement, prosecutions and prevention. The source of funds is assessments on the insurance companies that conduct business in the Commonwealth of Pennsylvania, fines and penalties, and interest earnings.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 5,541	\$ 3,612	\$ 3,749
<b>Receipts:</b>			
Assessments.....	\$ 8,461	\$ 9,781	\$ 9,495
Fines and Penalties Income.....	0	150	150
Interest on Securities.....	277	465	515
Total Receipts .....	<u>8,738</u>	<u>10,396</u>	<u>10,160</u>
<b>Total Funds Available .....</b>	<b>\$ 14,279</b>	<b>\$ 14,008</b>	<b>\$ 13,909</b>
<b>Disbursements:</b>			
Insurance Fraud Prevention Authority.....	\$ 10,667	\$ 10,259	\$ 12,278
Total Disbursements .....	<u>-10,667</u>	<u>-10,259</u>	<u>-12,278</u>
Cash Balance, Ending .....	<u>\$ 3,612</u>	<u>\$ 3,749</u>	<u>\$ 1,631</u>

# 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)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 156,065	\$ 183,387	\$ 155,087
<b>Receipts:</b>			
Carrier Assets.....	\$ 51,304	\$ 15,000	\$ 10,000
Other.....	681	0	0
Interest .....	6,163	6,700	5,900
Net Investment Adjustment.....	64,174	0	0
Total Receipts .....	<u>122,322</u>	<u>21,700</u>	<u>15,900</u>
<b>Total Funds Available .....</b>	<b>\$ 278,387</b>	<b>\$ 205,087</b>	<b>\$ 170,987</b>
<b>Disbursements:</b>			
Insurance.....	\$ 95,000	\$ 50,000	\$ 60,000
Total Disbursements .....	<u>-95,000</u>	<u>-50,000</u>	<u>-60,000</u>
Cash Balance, Ending .....	<u>\$ 183,387</u>	<u>\$ 155,087</u>	<u>\$ 110,987</u>

# 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. The annual appropriation for general obligation debt service from the General Fund provides revenues to the fund.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 0	\$ 0	\$ 0
<b>Receipts:</b>			
Transfer from General Fund .....	\$ 4,435	\$ 4,400	\$ 4,361
Total Receipts .....	4,435	4,400	4,361
<b>Total Funds Available .....</b>	<b>\$ 4,435</b>	<b>\$ 4,400</b>	<b>\$ 4,361</b>
<b>Disbursements:</b>			
Treasury.....	\$ 4,435	\$ 4,400	\$ 4,361
Total Disbursements .....	4,435	4,400	4,361
Cash Balance, Ending .....	\$ 0	\$ 0	\$ 0

## Land and Water Development Fund

This fund was created in 1968 to finance projects to eliminate land and water scars, air pollution and subsidence due to past coal mining operations, to aid political subdivisions in constructing or improving sewage treatment plants, to develop public outdoor recreation lands and to aid local governments in acquiring land for recreation purposes. In addition, administrative expenses incurred in support of any of these activities may be paid with monies in this fund. Initially, revenue to the fund was derived from the sale of Land and Water Development Bonds up to the \$500 million approved by the electorate on May 16, 1967. All appropriated funds from the bonds have been expended.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 1,363	\$ 1,931	\$ 782
<b>Receipts:</b>			
Sale of Refuse Bank Materials.....	\$ 36	\$ 30	\$ 30
Total Receipts .....	36	30	30
<b>Total Funds Available .....</b>	<b>\$ 1,399</b>	<b>\$ 1,961</b>	<b>\$ 812</b>
<b>Disbursements:</b>			
Treasury.....	\$ 0	\$ 5	\$ 5
Environmental Protection .....	-532 <sup>a</sup>	1,174	0
Total Disbursements .....	532	1,179	5
Cash Balance, Ending .....	\$ 1,931	\$ 782	\$ 807

<sup>a</sup> Credit in excess of actual expenditures.



# Land and Water Development Sinking Fund

Payment of interest and principal due on outstanding land and water development bonds is made from this fund. The annual appropriation from the General Fund for general obligation debt service and interest on invested balances in this fund and in the Land and Water Development Fund provide the revenues to the fund.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 10	\$ 17	\$ 0
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 14,496	\$ 14,389	\$ 13,465
Interest on Securities.....	208	100	100
Total Receipts .....	<u>14,704</u>	<u>14,489</u>	<u>13,565</u>
<b>Total Funds Available .....</b>	<b><u>\$ 14,714</u></b>	<b><u>\$ 14,506</u></b>	<b><u>\$ 13,565</u></b>
<b>Disbursements:</b>			
Treasury.....	\$ 14,697	\$ 14,506	\$ 13,565
Total Disbursements .....	<u>-14,697</u>	<u>-14,506</u>	<u>-13,565</u>
Cash Balance, Ending .....	<u>\$ 17</u>	<u>\$ 0</u>	<u>\$ 0</u>

# Liquid Fuels Tax Fund

The Liquid Fuels Tax Fund was created in 1931 by an act of the General Assembly to assist in funding the local roads system. One-half cent per gallon of gasoline and diesel fuel taxes is deposited into the fund for semi-annual distribution to county governments and to pay registration fees for vehicles operated by mass transportation systems. After payment of fees, remaining funds are allocated to the counties on a three-year average refund to total refund formula and must be used for highway purposes. Since the majority of counties have direct jurisdiction over a limited number of roads, a large portion of these funds are further allocated by the counties to their political subdivisions. To streamline payments to counties with of the amounts paid, the Department of Revenue has delegated the authority for these payments and attendant expenses to the Department of Transportation effective in the 1999-00 fiscal year.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 4,778	\$ 4,126	\$ 4,144
<b>Receipts:</b>			
Tax on Gasoline .....	\$ 24,398	\$ 24,603	\$ 24,972
Tax on Diesel Fuel .....	6,593	6,438	6,535
Total Receipts .....	<u>30,991</u>	<u>31,041</u>	<u>31,507</u>
<b>Total Funds Available .....</b>	<b><u>\$ 35,769</u></b>	<b><u>\$ 35,167</u></b>	<b><u>\$ 35,651</u></b>
<b>Disbursements:</b>			
Treasury.....	\$ 100	\$ 274	\$ 274
Revenue.....	31,543	0	0
Transportation.....	0	30,749	31,214
Total Disbursements.....	<u>-31,643</u>	<u>-31,023</u>	<u>-31,488</u>
Cash Balance, Ending.....	<u>\$ 4,126</u>	<u>\$ 4,144</u>	<u>\$ 4,163</u>



# Liquor License Fund

This fund serves as a pass-through account for fees for hotel, restaurant and club liquor and/or beer licenses. These fees are returned semi-annually to the municipalities in which the licenses are located. Interest earned on fund deposits is credited to the General Fund.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 2,345	\$ 2,557	\$ 2,677
<b>Receipts:</b>			
Liquor License Fees.....	\$ 4,657	\$ 4,700	\$ 4,700
Beer License Fees.....	111	120	120
Other.....	0	10	10
Total Receipts .....	<u>4,768</u>	<u>4,830</u>	<u>4,830</u>
<b>Total Funds Available .....</b>	<b>\$ 7,113</b>	<b>\$ 7,387</b>	<b>\$ 7,507</b>
<b>Disbursements:</b>			
Treasury.....	\$ 1	\$ 10	\$ 5
Liquor Control Board.....	4,555	4,700	4,800
Total Disbursements .....	<u>-4,556</u>	<u>-4,710</u>	<u>-4,805</u>
<b>Cash Balance, Ending .....</b>	<b>\$ 2,557</b>	<b>\$ 2,677</b>	<b>\$ 2,702</b>

# Local Criminal Justice Fund

This fund was created by Act 71 of 1990 which authorized the issuance of bonds to raise \$200 million for grants to counties for the repair, expansion, construction, rehabilitation and improvement of local correctional facilities or multicounty regional prison facilities or the purchase of electronic monitoring equipment for alternative sentencing programs.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 2,114	\$ 2,588	\$ 1,734
<b>Receipts:</b>			
Sale of Bonds.....	\$ 3,050	\$ 1,000	\$ 2,000
Interest.....	157	150	80
Total Receipts .....	<u>3,207</u>	<u>1,150</u>	<u>2,080</u>
<b>Total Funds Available .....</b>	<b>\$ 5,321</b>	<b>\$ 3,738</b>	<b>\$ 3,814</b>
<b>Disbursements:</b>			
Treasury.....	\$ 4	\$ 4	\$ 4
Corrections.....	2,729	2,000	2,000
Total Disbursements .....	<u>-2,733</u>	<u>-2,004</u>	<u>-2,004</u>
<b>Cash Balance, Ending .....</b>	<b>\$ 2,588</b>	<b>\$ 1,734</b>	<b>\$ 1,810</b>



# Local Criminal Justice Sinking Fund

Payment of interest and principal due on outstanding local criminal justice bonds is made from this fund. The annual appropriation from the General Fund for general obligation debt service and interest on invested balances in this fund provide the revenues to this fund.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 1	\$ 1	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 15,738	\$ 15,958	\$ 16,077
Accrued Interest on Bonds Sold.....	9	0	0
Total Receipts .....	15,747	15,958	16,077
Total Funds Available .....	\$ 15,748	\$ 15,959	\$ 16,077
Disbursements:			
Treasury.....	\$ 15,747	\$ 15,959	\$ 16,077
Total Disbursements .....	-15,747	-15,959	-16,077
Cash Balance, Ending .....	\$ 1	\$ 0	\$ 0

# 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 extended the program through June 30, 1997. Act 58 of 1996 transferred this program from the Department of Community Affairs to the Department of Community and Economic Development. Act 46 of 1997 extended this fund indefinitely.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 1,601	\$ 1,817	\$ 1,442
Receipts:			
Loan Repayments.....	\$ 515	\$ 525	\$ 550
Interest .....	92	100	95
Total Receipts .....	607	625	645
Total Funds Available .....	\$ 2,208	\$ 2,442	\$ 2,087
Disbursements:			
Community and Economic Development.....	\$ 391	\$ 1,000	\$ 1,000
Total Disbursements .....	-391	-1,000	-1,000
Cash Balance, Ending .....	\$ 1,817	\$ 1,442	\$ 1,087





# Low-Level Waste Fund

This fund was created by Act 12 of 1988 to finance the selection, licensing, regulation and long-term care of a low-level radioactive waste disposal facility. Revenue is derived from fees for licenses and permits to generate, store and transport waste, surcharges on the disposal of waste, and fines and penalties for violating the provisions of the Low-Level Radioactive Waste Disposal Act. The siting process was suspended in 1998 because of a dramatic reduction in the volume of low-level radioactive waste being generated in the Appalachian Compact and the availability of out-of-state disposal capacity. Expenditures reflect the continued activity by the department to oversee Pennsylvania's generation of low-level waste and to reduce the waste stream.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 4,952	\$ 4,234	\$ 3,263
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 425	\$ 0	\$ 0
Fines and Penalties (a).....	0	0	0
Licenses and Fees (a).....	0	0	0
Surcharges (a).....	0	0	0
Interest .....	226	136	95
Other.....	0	0	0
Total Receipts .....	<u>651</u>	<u>136</u>	<u>95</u>
<b>Total Funds Available .....</b>	<b>\$ 5,603</b>	<b>\$ 4,370</b>	<b>\$ 3,358</b>
<b>Disbursements:</b>			
Environmental Protection .....	\$ 1,369	\$ 1,107	\$ 707
Total Disbursements .....	<u>-1,369</u>	<u>-1,107</u>	<u>-707</u>
<b>Cash Balance, Ending .....</b>	<b>\$ 4,234</b>	<b>\$ 3,263</b>	<b>\$ 2,651</b>

\* These revenues will not be received until the Commonwealth's low-level disposal site becomes operational.

# Machinery and Equipment Loan Fund

This fund was established by Act 120 of 1988 to provide low-interest machinery and equipment financing for Pennsylvania businesses in order to facilitate their growth, competitiveness and value-added capacity.

The fund was initially capitalized by an appropriation from the Pennsylvania Economic Revitalization Fund (PERF). It is now funded from loan repayments and interest earnings.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 16,877	\$ 19,072	\$ 13,822
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 1,500	\$ 2,000	\$ 6,000
Loan Repayments.....	10,371	10,750	11,050
Miscellaneous.....	0	150	100
Interest on Securities.....	957	1,000	1,000
Total Receipts .....	<u>12,828</u>	<u>13,900</u>	<u>18,150</u>
<b>Total Funds Available .....</b>	<b>\$ 29,705</b>	<b>\$ 32,972</b>	<b>\$ 31,972</b>
<b>Disbursements:</b>			
Community and Economic Development.....	\$ 10,633	\$ 19,150	\$ 19,175
Total Disbursements .....	<u>-10,633</u>	<u>-19,150</u>	<u>-19,175</u>
<b>Cash Balance, Ending .....</b>	<b>\$ 19,072</b>	<b>\$ 13,822</b>	<b>\$ 12,797</b>



# 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)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 4,182 <sup>a</sup>	\$ 6,145	\$ 5,983
<b>Receipts:</b>			
Sale of Products.....	\$ 34,764	\$ 40,190	\$ 40,800
Interest.....	234	258	250
Other.....	34	45	50
Total Receipts .....	35,032	40,493	41,100
<b>Total Funds Available .....</b>	<b>\$ 39,214</b>	<b>\$ 46,638</b>	<b>\$ 47,083</b>
<b>Disbursements:</b>			
Treasury.....	\$ 0	\$ 5	\$ 5
Corrections.....	33,069	40,650	41,062
Total Disbursements .....	-33,069	-40,655	-41,067
<b>Cash Balance, Ending .....</b>	<b>\$ 6,145</b>	<b>\$ 5,983</b>	<b>\$ 6,016</b>

<sup>a</sup> Adjusted to exclude vouchers in transit included in the 1997-98 ending balance in last year's budget.

# Medical Professional Liability Catastrophe Loss Fund

The Health Care Services Malpractice Act of 1975 created this fund 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. Act 135 of 1996 amended the original act to increase annually until 2001 the amount of basic insurance coverage maintained by health care providers.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 139,812	\$ 170,481	\$ 194,446
<b>Receipts:</b>			
Surcharges .....	\$ 310,278	\$ 316,194	\$ 307,124
Income on Investments.....	8,958	8,523	8,538
Reinsurance Proceeds.....	38	28,855	0
Other.....	150	16	12
Total Receipts .....	319,424	353,588	315,674
<b>Total Funds Available .....</b>	<b>\$ 459,236</b>	<b>\$ 524,069</b>	<b>\$ 510,120</b>
<b>Disbursements:</b>			
Executive Offices.....	\$ 288,755	\$ 329,618	\$ 312,794
Treasury.....	0	5	0
Total Disbursements .....	-288,755	-329,623	-312,794
<b>Cash Balance, Ending .....</b>	<b>\$ 170,481</b>	<b>\$ 194,446</b>	<b>\$ 197,326</b>



# Minority Business Development Fund

This fund was created in 1974 to accommodate the operation of the Pennsylvania Minority Business Development Authority. Revenues to the fund are from loan repayments, transfer of General Fund appropriations and interest. The authority has the power to issue bonds or other obligations which would provide further revenue to the fund.

Expenditures are made for loans to minority business enterprises and for operating expenses of the authority.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 7,247	\$ 4,240	\$ 3,305
<b>Receipts:</b>			
Interest on Securities.....	\$ 381	\$ 250	\$ 25
Loan Principal and Interest Repayments.....	1,400	1,310	1,170
Other.....	15	5	0
Total Receipts .....	<u>1,796</u>	<u>1,565</u>	<u>1,195</u>
<b>Total Funds Available .....</b>	<b>\$ 9,043</b>	<b>\$ 5,805</b>	<b>\$ 4,500</b>
<b>Disbursements:</b>			
Community and Economic Development.....	\$ 4,803	\$ 2,500	\$ 1,050
Total Disbursements .....	<u>-4,803</u>	<u>-2,500</u>	<u>-1,050</u>
<b>Cash Balance, Ending .....</b>	<b>\$ 4,240</b>	<b>\$ 3,305</b>	<b>\$ 3,450</b>

# Motor Vehicle Transaction Recovery Fund

This fund was created by Act 83 of 1990 to provide protection from dealers or other agents who fail to forward fees and taxes pertaining to an application for titling or registration of a vehicle to the Department of Transportation. Revenues to the fund consist of assessments (or reassessments should the balance of the fund fall below \$500,000) on every applicant for motor vehicle dealer registration plates or for the authority to act as agent of the department with respect to vehicle titling and registration.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 897	\$ 992	\$ 982
<b>Receipts:</b>			
Dealer/Agent Assessment.....	\$ 107	\$ 150	\$ 145
Interest .....	50	40	42
Total Receipts .....	<u>157</u>	<u>190</u>	<u>187</u>
<b>Total Funds Available .....</b>	<b>\$ 1,054</b>	<b>\$ 1,182</b>	<b>\$ 1,169</b>
<b>Disbursements:</b>			
Transportation.....	\$ 62	\$ 200	\$ 204
Total Disbursements .....	<u>-62</u>	<u>-200</u>	<u>-204</u>
<b>Cash Balance, Ending .....</b>	<b>\$ 992</b>	<b>\$ 982</b>	<b>\$ 965</b>



# Municipal Pension Aid Fund

This fund was created by Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act, and is administered by the Auditor General. Beginning in July 1985, this fund receives a portion of the revenues from the Foreign Casualty Insurance Premium Tax and the Foreign Fire Insurance Premium Tax. These revenues and earnings are for distribution to municipalities for various municipal, police and fire pension funds.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 123,682	\$ 120,971	\$ 112,731
<b>Receipts:</b>			
Foreign Casualty Insurance			
Premium Tax.....	\$ 132,087	\$ 117,046	\$ 125,000
Foreign Fire Insurance Premium Tax.....	4,906	11,283	12,500
Interest .....	3,437	3,436	4,000
Total Receipts .....	<u>140,430</u>	<u>131,765</u>	<u>141,500</u>
<b>Total Funds Available .....</b>	<b>\$ 264,112</b>	<b>\$ 252,736</b>	<b>\$ 254,231</b>
<b>Disbursements:</b>			
Auditor General.....	\$ 143,141	\$ 140,000	\$ 140,000
Treasury.....	0	5	5
Total Disbursements .....	<u>-143,141<sup>a</sup></u>	<u>-140,005<sup>b</sup></u>	<u>-140,005<sup>c</sup></u>
<b>Cash Balance, Ending .....</b>	<b>\$ 120,971</b>	<b>\$ 112,731</b>	<b>\$ 114,226</b>

<sup>a</sup> Includes post-retirement payment of \$5,200,260 as authorized by Act 147 of 1988

<sup>b</sup> Includes post-retirement payment of \$4,906,285 as authorized by Act 147 of 1988

<sup>c</sup> Includes post-retirement payment of \$5,700,000 as authorized by Act 147 of 1988



# Non-Coal Surface Mining Conservation and Reclamation Fund

This fund was created by Act 219 of 1984 to finance reclamation projects on land scarred by non-coal surface mining. Projects include recontouring, terracing and planting trees, shrubs and grasses. Revenues are provided by charging non-coal surface mining operators for licenses and permits and by fining them for failing to apply for the licenses and permits as well as by forfeiture of collateral bonds, cash or securities for failure to comply with an approved reclamation plan.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 6,191	\$ 6,820	\$ 6,640
<b>Receipts:</b>			
Licenses and Fees.....	\$ 213	\$ 235	\$ 235
Penalties.....	33	34	34
Interest.....	339	320	320
Collateral.....	272	0	0
Payment in Lieu of Bonds.....	33	31	31
Forfeiture of Bond.....	0	0	0
Total Receipts .....	<u>890</u>	<u>620</u>	<u>620</u>
<b>Total Funds Available .....</b>	<b>\$ 7,081</b>	<b>\$ 7,440</b>	<b>\$ 7,260</b>
<b>Disbursements:</b>			
Environmental Protection .....	\$ 261	\$ 800	\$ 800
Total Disbursements .....	<u>-261</u>	<u>-800</u>	<u>-800</u>
Cash Balance, Ending .....	<u>\$ 6,820</u>	<u>\$ 6,640</u>	<u>\$ 6,460</u>

# Nursing Home Loan Sinking Fund

Maturing principal on nursing home loan bonds and all interest payable on such bonds is paid from this fund. The annual appropriation from the General Fund for general obligation debt service and annual earnings received from investment of balances in this fund provide income to the fund.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 75	\$ 1	\$ 0
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 1,793	\$ 643	\$ 597
Interest on Securities.....	1	0	0
Total Receipts .....	<u>1,794</u>	<u>643</u>	<u>597</u>
<b>Total Funds Available .....</b>	<b>\$ 1,869</b>	<b>\$ 644</b>	<b>\$ 597</b>
<b>Disbursements:</b>			
Treasury.....	\$ 1,868	\$ 644	\$ 597
Total Disbursements .....	<u>-1,868</u>	<u>-644</u>	<u>-597</u>
Cash Balance, Ending .....	<u>\$ 1</u>	<u>\$ 0</u>	<u>\$ 0</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. Act 18 of 1995 transferred some responsibilities for the Nutrient Management Program from the Department of Environmental Protection to the Department of Agriculture.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 2,507	\$ 4,734	\$ 3,934
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 3,280	\$ 3,280	\$ 3,280
Interest .....	124	200	200
Total Receipts .....	3,404	3,480	3,480
<b>Total Funds Available .....</b>	<b>\$ 5,911</b>	<b>\$ 8,214</b>	<b>\$ 7,414</b>
<b>Disbursements:</b>			
Agriculture .....	\$ 396	\$ 3,280	\$ 4,469
Environmental Protection .....	781	1,000	1,250
Total Disbursements .....	-1,177	-4,280	-5,719
<b>Cash Balance, Ending .....</b>	<b>\$ 4,734</b>	<b>\$ 3,934</b>	<b>\$ 1,695</b>

# 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)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 4,763	\$ 3,546	\$ 3,361
<b>Receipts:</b>			
Rents and Royalties.....	\$ 2,700	\$ 3,000	\$ 3,000
Interest.....	261	275	275
Other.....	47	50	50
Total Receipts .....	3,008	3,325	3,325
<b>Total Funds Available .....</b>	<b>\$ 7,771</b>	<b>\$ 6,871</b>	<b>\$ 6,686</b>
<b>Disbursements:</b>			
Treasury.....	\$ 35	\$ 0	\$ 5
Conservation and Natural Resources.....	4,190	3,510	6,000
Total Disbursements .....	-4,225	-3,510	-6,005
<b>Cash Balance, Ending .....</b>	<b>\$ 3,546</b>	<b>\$ 3,361</b>	<b>\$ 681</b>



# Organ Donation Awareness Trust Fund

This fund was established by Act 102 of 1994 and derives revenue from private contributions, voluntary deductions from State Individual Income Tax returns from the years 1997 through 2000, and a voluntary \$1 add-on to the fee for an original or renewal driver's license, State identification card or vehicle registration.

After the payment of initial departmental operating costs associated with the fund and in support of the Organ Donation Advisory Committee, any remaining funds are spent as prescribed by the act: 10 percent for hospital and medical expenses, funeral expenses and incidental expenses incurred by the donor or the donor's family in conjunction with making a vital organ donation; 50 percent for grants to certified organ procurement organizations for the development and implementation of organ donation awareness programs; 15 percent in cooperation with certified organ procurement organizations for the "project-make-a-choice program;" and 25 percent for the implementation of organ donation awareness programs in secondary schools.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 844	\$ 1,013	\$ 475
<b>Receipts:</b>			
Driver's License Applicants.....	\$ 238	\$ 233	\$ 233
State Income Tax Contribution.....	70	72	72
Vehicle Registration.....	0	425	425
Interest on Securities.....	49	50	50
Total Receipts .....	357	780	780
<b>Total Funds Available .....</b>	<b>\$ 1,201</b>	<b>\$ 1,793</b>	<b>\$ 1,255</b>
<b>Disbursements:</b>			
Education.....	\$ 121	\$ 114	\$ 102
Health.....	67	665	375
Transportation.....	0	539	0
Total Disbursements .....	-188	-1,318	-477
<b>Cash Balance, Ending .....</b>	<b>\$ 1,013</b>	<b>\$ 475</b>	<b>\$ 778</b>



# 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. The fund was eliminated in 1995-96; final project activity is expected to be completed in 1999-00. Upon completion of project activity, the remaining balance in this fund will be transferred to the General Fund.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 1,964	\$ 1,300	\$ 0
<b>Receipts:</b>			
Interest on Securities.....	\$ 97	\$ 108	\$ 0
Other.....	-198 <sup>a</sup>	-224 <sup>a</sup>	0
Total Receipts.....	-101	-116	0
<b>Total Funds Available.....</b>	<b>\$ 1,863</b>	<b>\$ 1,184</b>	<b>\$ 0</b>
<b>Disbursements:</b>			
Agriculture.....	\$ 0	\$ 452	\$ 0
Conservation and Natural Resources.....	563	732	0
Total Disbursements.....	-563	-1,184	0
<b>Cash Balance, Ending.....</b>	<b>\$ 1,300</b>	<b>\$ 0</b>	<b>\$ 0</b>

<sup>a</sup> Net of transfers to the General Fund and the Pennsylvania Economic Revitalization Sinking Fund.

# Pennsylvania Economic Revitalization Sinking Fund

Payment of interest and principal due on outstanding economic revitalization bonds is made from this fund. The annual appropriation from the General Fund for general obligation debt service and interest earned in this fund and interest earned in and transferred from the Pennsylvania Economic Revitalization Fund provide revenues to the fund.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 151	\$ 104	\$ 0
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 6,503	\$ 6,379	\$ 6,313
Interest on Securities.....	104	10	10
Total Receipts .....	6,607	6,389	6,323
<b>Total Funds Available .....</b>	<b>\$ 6,758</b>	<b>\$ 6,493</b>	<b>\$ 6,323</b>
<b>Disbursements:</b>			
Treasury.....	\$ 6,654	\$ 6,493	\$ 6,323
Total Disbursements .....	-6,654	-6,493	-6,323
<b>Cash Balance, Ending .....</b>	<b>\$ 104</b>	<b>\$ 0</b>	<b>\$ 0</b>





# 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)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 126	\$ 133	\$ 56
Receipts:			
Interest .....	\$ 7	\$ 3	\$ 3
Total Receipts .....	7	3	3
Total Funds Available .....	\$ 133	\$ 136	\$ 59
Disbursements:			
Historical and Museum Commission.....	\$ 0	\$ 80	\$ 0
Total Disbursements .....	0	-80	0
Cash Balance, Ending .....	\$ 133	\$ 56	\$ 59

# Pennsylvania Infrastructure Bank

This fund was established by Act 57 of 1997 to make loans to, or enter into leases with, qualified borrowers to finance the costs of transportation projects. Receipts are derived from Federal funds and the transfer of required matching State funds from the Motor License Fund and Public Transportation Assistance Fund.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 0	\$ 11,260	\$ 10,989
Receipts:			
Transfer from Motor License Fund.....	\$ 4,350	\$ 0	\$ 0
Transfer from Public Transportation Assistance Fund.....	333	0	0
Federal Funds.....	6,848	10,000	0
Loan Repayments.....	4	62	1,325
Interest .....	118	747	350
Total Receipts .....	11,653	10,809	1,675
Total Funds Available .....	\$ 11,653	\$ 22,069	\$ 12,664
Disbursements:			
Transportation.....	\$ 393	\$ 11,080	\$ 10,000
Total Disbursements .....	-393	-11,080	-10,000
Cash Balance, Ending .....	\$ 11,260	\$ 10,989	\$ 2,664



# Pennsylvania Municipal Retirement Fund

Act 15 of 1974 created the Pennsylvania Municipal Retirement System which replaced the Municipal Employees Retirement Law and the Municipal Police Retirement Law and combined all employees covered under both into a State-related municipal system. The fund established under Act 15 provides for payment of retirement allowances to officers, employees, firemen and police of political subdivisions (counties, cities, boroughs and townships of the first and second class). Any municipality may elect by ordinance to join the system. Revenues are generated from the contributions of the members of the system and investment earnings. The board established under Act 15 has control over the system's operation. The net investment adjustment shown below is to reflect carrying value of long-term investments as of June 30. A municipality may, upon meeting the requirements set forth in Act 15, elect to withdraw from participation in this fund. Withdrawals may substantially increase the level of disbursements reflected in this presentation.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 907,807	\$ 920,692	\$ 980,500
<b>Receipts:</b>			
Contributions.....	\$ 33,813	\$ 35,330	\$ 37,095
Interest .....	140,884	88,365	94,110
Total Receipts .....	174,697	123,695	131,205
<b>Total Funds Available .....</b>	<b>\$ 1,082,504</b>	<b>\$ 1,044,387</b>	<b>\$ 1,111,705</b>
<b>Disbursements:</b>			
Treasury .....	\$ 2	\$ 2	\$ 2
Municipal Retirement Board .....	116,388	43,198	51,838
Net Investment Adjustment.....	45,422	20,687	14,867
Total Disbursements .....	-161,812	-63,887	-66,707
<b>Cash Balance, Ending .....</b>	<b>\$ 920,692</b>	<b>\$ 980,500</b>	<b>\$ 1,044,998</b>

# Pennsylvania Veterans Memorial Trust Fund

Act 60 of 1988 established this fund to be administered by the Pennsylvania Veterans Memorial Commission whose purpose is to erect on the grounds of Indiantown Gap National Cemetery a monument 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)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 724	\$ 1,535	\$ 1,040
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 0	\$ 2,000	\$ 0
Public/Private Donations.....	758	387	60
Interest .....	53	118	47
Total Receipts .....	811	2,505	107
<b>Total Funds Available .....</b>	<b>\$ 1,535</b>	<b>\$ 4,040</b>	<b>\$ 1,147</b>
<b>Disbursements:</b>			
Military and Veterans Affairs.....	\$ 0	\$ 3,000	\$ 1,000
Total Disbursements .....	0	-3,000	-1,000
<b>Cash Balance, Ending .....</b>	<b>\$ 1,535</b>	<b>\$ 1,040</b>	<b>\$ 147</b>



# PENNVEST Bond Authorization Fund

This fund, created under the authority of Act 16 of 1988, receives the proceeds from the sale of bonds authorized by general referendum, transfers from the Water Facilities Loan Fund or from the Capital Facilities Fund for site development. Expenditures are for transfers of funds to the PENNVEST Fund, the PENNVEST Drinking Water Revolving Fund, the PENNVEST Water Pollution Control Revolving Fund, the PENNVEST Revolving Fund or the PENNVEST Non-Revolving Equity Fund.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 25,956	\$ 16,384	\$ 16,984
<b>Receipts:</b>			
Referendum Bonds.....	\$ 7,131	\$ 20,000	\$ 5,000
Water Facilities Bonds.....	0	1,500	0
Interest.....	1,434	2,000	2,000
Total Receipts .....	<u>8,565</u>	<u>23,500</u>	<u>7,000</u>
<b>Total Funds Available .....</b>	<b>\$ 34,521</b>	<b>\$ 39,884</b>	<b>\$ 23,984</b>
<b>Disbursements:</b>			
Treasury.....	\$ 9	\$ 0	\$ 0
Infrastructure Investment Authority:			
PENNVEST Fund .....	1,529	2,000	2,000
PENNVEST Drinking Water Revolving Fund.....	5,904	5,900	0
PENNVEST Water Pollution Control Revolving Fund.....	10,685	13,000	13,000
PENNVEST Revolving Fund.....	10	2,000	2,000
PENNVEST Non-Revolving Equity Fund.....	0	0	0
Total Disbursements .....	<u>-18,137</u>	<u>-22,900</u>	<u>-17,000</u>
<b>Cash Balance, Ending .....</b>	<b>\$ 16,384</b>	<b>\$ 16,984</b>	<b>\$ 6,984</b>

# PENNVEST Drinking Water Revolving Fund

This fund was created under the authority of Act 16 of 1988 to receive funds from the Federal Government to establish a revolving loan program for drinking water projects. Required matching State funds are transferred from the PENNVEST Bond Authorization Fund and the PENNVEST Fund.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 223	\$ 549	\$ 14,499
<b>Receipts:</b>			
Bond Authorization Fund.....	\$ 5,904	\$ 5,900	\$ 0
PENNVEST Fund.....	0	12,000	12,000
Federal Funds.....	18,772	50,300	44,750
Interest and Principal Payments.....	487	0	0
Investment Income.....	14	50	50
Total Receipts .....	<u>25,177</u>	<u>68,250</u>	<u>56,800</u>
<b>Total Funds Available .....</b>	<b>\$ 25,400</b>	<b>\$ 68,799</b>	<b>\$ 71,299</b>
<b>Disbursements:</b>			
Infrastructure Investment Authority.....	\$ 24,851	\$ 54,300	\$ 53,130
Total Disbursements .....	<u>-24,851</u>	<u>-54,300</u>	<u>-53,130</u>
<b>Cash Balance, Ending .....</b>	<b>\$ 549</b>	<b>\$ 14,499</b>	<b>\$ 18,169</b>



# 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)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 56,226	\$ 96,800	\$ 98,982
<b>Receipts:</b>			
Revolving Loan Payments.....	\$ 59,529	\$ 45,000	\$ 45,000
Bond Authorization Fund.....	1,529	2,000	2,000
Interest.....	2,244	2,000	2,000
Other.....	0	0	0
Total Receipts .....	63,302	49,000	49,000
<b>Total Funds Available .....</b>	<b>\$ 119,528</b>	<b>\$ 145,800</b>	<b>\$ 147,982</b>
<b>Disbursements:</b>			
Infrastructure Investment Authority:			
Loans and Grants.....	\$ 1,759	\$ 2,125	\$ 2,125
Administration.....	2,105	2,683	2,442
PENNVEST Drinking Water Revolving Fund.....	0	0	12,000
Revenue Bond Transfer.....	18,864	42,010	42,020
Total Disbursements .....	-22,728	-46,818	-58,587
Cash Balance, Ending .....	\$ 96,800	\$ 98,982	\$ 89,395

# 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)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 4	\$ 4	\$ 4
<b>Receipts:</b>			
Bond Authorization Fund.....	\$ 0	\$ 0	\$ 0
Total Receipts .....	0	0	0
<b>Total Funds Available .....</b>	<b>\$ 4</b>	<b>\$ 4</b>	<b>\$ 4</b>
<b>Disbursements:</b>			
Infrastructure Investment Authority:			
Drinking Water Projects.....	\$ 0	\$ 0	\$ 0
Sewer Projects.....	0	0	0
Stormwater Projects.....	0	0	0
Total Disbursements .....	0	0	0
Cash Balance, Ending .....	\$ 4	\$ 4	\$ 4



# PENNVEST Redemption Fund

This fund, created under the authority of Act 16 of 1988, receives repayments of non-revolving loans and investment interest along with the annual appropriation from the General Fund for general obligation debt service which are used to pay debt service on general obligation bonds issued for PENNVEST.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 0	\$ 1	\$ 0
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 27,009	\$ 25,975	\$ 26,518
Interest on Securities.....	5	7	7
Accrued Interest on Bonds Sold .....	24	6	0
Non-Revolving Loan Repayments.....	2,272	2,252	2,232
Total Receipts .....	29,310	28,240	28,757
<b>Total Funds Available .....</b>	<b>\$ 29,310</b>	<b>\$ 28,241</b>	<b>\$ 28,757</b>
<b>Disbursements:</b>			
Treasury.....	\$ 29,309	\$ 28,241	\$ 28,757
Total Disbursements .....	-29,309	-28,241	-28,757
<b>Cash Balance, Ending .....</b>	<b>\$ 1</b>	<b>\$ 0</b>	<b>\$ 0</b>

# 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)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 22	\$ 23	\$ 24
<b>Receipts:</b>			
PENNVEST Bond Authorization Fund.....	\$ 10	\$ 2,000	\$ 2,000
Interest.....	1	1	0
Total Receipts .....	11	2,001	2,000
<b>Total Funds Available .....</b>	<b>\$ 33</b>	<b>\$ 2,024</b>	<b>\$ 2,024</b>
<b>Disbursements:</b>			
Infrastructure Investment Authority:			
Drinking Water Projects.....	\$ 0	\$ 1,000	\$ 1,000
Sewer Projects.....	10	1,000	1,000
Storm Water Projects.....	0	0	0
Total Disbursements .....	-10	-2,000	-2,000
<b>Cash Balance, Ending .....</b>	<b>\$ 23</b>	<b>\$ 24</b>	<b>\$ 24</b>



# 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)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 73,557	\$ 97,787	\$ 114,297
<b>Receipts:</b>			
Bond Authorization Fund.....	\$ 10,685	\$ 13,000	\$ 13,000
Federal Funds.....	51,734	66,044	65,000
Interest and Principal Payments.....	25,664	32,000	32,000
Investment Income.....	4,355	7,000	5,000
Total Receipts .....	92,438	118,044	115,000
<b>Total Funds Available .....</b>	<b>\$ 165,995</b>	<b>\$ 215,831</b>	<b>\$ 229,297</b>
<b>Disbursements:</b>			
Infrastructure Investment Authority.....	\$ 68,208	\$ 101,534	\$ 100,500
Total Disbursements .....	-68,208	-101,534	-100,500
<b>Cash Balance, Ending .....</b>	<b>\$ 97,787</b>	<b>\$ 114,297</b>	<b>\$ 128,797</b>

# Pharmaceutical Assistance Fund (Contract for the Elderly)

This fund provides a limited pharmaceutical assistance program for older Pennsylvanians who are 65 years of age or over and whose annual income does not exceed the maximum specified for program eligibility. Pharmaceutical product claims for the Chronic Renal Disease Program and the Special Pharmaceutical Benefits Program are also processed through the PACE fund. Funds not expended in the fiscal year in which they are appropriated are available for use in the following fiscal year. For additional information on the programs refer to the Department of Aging, the Department of Health, and the Department of Public Welfare's program descriptions.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 43,577	\$ 55,490	\$ 35,484
<b>Receipts:</b>			
Transfer from Lottery Fund.....	\$ 260,000	\$ 260,000	\$ 290,000
Interest on Securities.....	1,477	1,000	1,000
Chronic Renal Disease.....	5,928	6,000	6,000
AIDS Special Pharmaceutical Services.....	18,026	29,810	32,259
Total Receipts .....	285,431	296,810	329,259
<b>Total Funds Available .....</b>	<b>\$ 329,008</b>	<b>\$ 352,300</b>	<b>\$ 364,743</b>
<b>Disbursements:</b>			
Treasury.....	\$ 0	\$ 5	\$ 5
Aging.....	251,021	281,001	305,207
Health.....	5,941 <sup>a</sup>	6,000 <sup>a</sup>	6,000 <sup>a</sup>
Public Welfare.....	16,556 <sup>a</sup>	29,810 <sup>a</sup>	32,259 <sup>a</sup>
Total Disbursements .....	-273,518	-316,816	-343,471
<b>Cash Balance, Ending .....</b>	<b>\$ 55,490</b>	<b>\$ 35,484</b>	<b>\$ 21,272</b>

<sup>a</sup> Expenditures from restricted revenue accounts in the Department of Aging.



# 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)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 517	\$ 674	\$ 656
<b>Receipts:</b>			
Transfer from Philadelphia Regional Port Authority.....	\$ 4,370	\$ 4,750	\$ 4,000
Interest on Securities.....	29	32	31
Other.....	0	0	0
Total Receipts .....	<u>4,399</u>	<u>4,782</u>	<u>4,031</u>
<b>Total Funds Available .....</b>	<b>\$ 4,916</b>	<b>\$ 5,456</b>	<b>\$ 4,687</b>
<b>Disbursements:</b>			
Philadelphia Regional Port Operations.....	\$ 4,242	\$ 4,800	\$ 4,500
Total Disbursements .....	<u>-4,242</u>	<u>-4,800</u>	<u>-4,500</u>
<b>Cash Balance, Ending .....</b>	<b>\$ <u>674</u></b>	<b>\$ <u>656</u></b>	<b>\$ <u>187</u></b>

# 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)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 716	\$ 1,081	\$ 1,191
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 905	\$ 930	\$ 600
Other.....	8	20	20
Interest .....	44	60	65
Total Receipts .....	<u>957</u>	<u>1,010</u>	<u>685</u>
<b>Total Funds Available .....</b>	<b>\$ 1,673</b>	<b>\$ 2,091</b>	<b>\$ 1,876</b>
<b>Disbursements:</b>			
Port of Pittsburgh Commission.....	\$ 592	\$ 900	\$ 1,400
Total Disbursements .....	<u>-592</u>	<u>-900</u>	<u>-1,400</u>
<b>Cash Balance, Ending .....</b>	<b>\$ <u>1,081</u></b>	<b>\$ <u>1,191</u></b>	<b>\$ <u>476</u></b>



# 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)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 0	\$ 0	\$ 0
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 783	\$ 786	\$ 0
Total Receipts .....	783	786	0
<b>Total Funds Available .....</b>	<b>\$ 783</b>	<b>\$ 786</b>	<b>\$ 0</b>
<b>Disbursements:</b>			
Treasury.....	\$ 783	\$ 786	\$ 0
Total Disbursements .....	-783	-786	0
<b>Cash Balance, Ending .....</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

# 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 percent of the total sales and use tax receipts, a 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)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 15,539	\$ 3,843	\$ 3,631
<b>Receipts:</b>			
Utility Realty Tax \ Gross Receipts Tax.....	\$ 39,356	\$ 23,600	\$ 29,400
Other Taxes and Fees.....	139,256	148,600	155,600
Interest .....	1,348	1,000	1,000
Total Receipts .....	179,960	173,200	186,000
<b>Total Funds Available .....</b>	<b>\$ 195,499</b>	<b>\$ 177,043</b>	<b>\$ 189,631</b>
<b>Disbursements:</b>			
Transportation:			
Administration.....	\$ 4,780	\$ 4,803	\$ 4,763
Grants.....	186,876	168,609	180,320
Total Disbursements .....	-191,656	-173,412	-185,083
<b>Cash Balance, Ending .....</b>	<b>\$ 3,843</b>	<b>\$ 3,631</b>	<b>\$ 4,548</b>





# Purchasing Fund

Created in 1933, this fund finances the purchase of materials, supplies and equipment by the Department of General Services for use by 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)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 18,142 <sup>a</sup>	\$ 12,800	\$ 7,043
<b>Receipts:</b>			
Reimbursements to General Services.....	\$ 154,094	\$ 298,774	\$ 329,101
General Fund Loan.....	0	9,000	0
Other.....	733	400	250
Total Receipts .....	<u>154,827</u>	<u>308,174</u>	<u>329,351</u>
<b>Total Funds Available .....</b>	<b>\$ 172,969</b>	<b>\$ 320,974</b>	<b>\$ 336,394</b>
<b>Disbursements:</b>			
Executive Offices.....	\$ 0	\$ 500	\$ 0
Treasury.....	0	5	5
Loan Repayment.....	0	9,000	0
General Services.....	160,169	304,426	335,253
Total Disbursements .....	<u>-160,169</u>	<u>-313,931</u>	<u>-335,258</u>
<b>Cash Balance, Ending .....</b>	<b>\$ 12,800</b>	<b>\$ 7,043</b>	<b>\$ 1,136</b>

<sup>a</sup> Adjusted to exclude disbursements included in the 1997-98 ending balance in last year's budget.

# 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)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 1,028	\$ 1,023	\$ 825
<b>Receipts:</b>			
Additional License Fees.....	\$ 40	\$ 42	\$ 42
Interest .....	54	60	60
Total Receipts .....	<u>94</u>	<u>102</u>	<u>102</u>
<b>Total Funds Available .....</b>	<b>\$ 1,122</b>	<b>\$ 1,125</b>	<b>\$ 927</b>
<b>Disbursements:</b>			
State.....	\$ 99	\$ 300	\$ 100
Total Disbursements .....	<u>-99</u>	<u>-300</u>	<u>-100</u>
<b>Cash Balance, Ending .....</b>	<b>\$ 1,023</b>	<b>\$ 825</b>	<b>\$ 827</b>



# Recycling Fund

This fund was created by Act 101 of 1988 to finance the planning, processing, resource recovery and recycling of solid waste. Revenue is generated by a fee on all waste disposed of in landfills or processed by resource recovery facilities. Expenditures are for recycling and planning grants, market and waste minimization studies, and public information and education activities throughout the Commonwealth. Act 101, as amended by Act 125 of 1998, finances the cleanup of illegally deposited waste on State forest and State park lands. Act 68 of 1999 authorizes a transfer of up to \$30 million annually for five years to the Environmental Stewardship Fund to provide funding for various environmental programs.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 136,709	\$ 152,433	\$ 118,512
<b>Receipts:</b>			
Recycling Fees.....	\$ 42,952	\$ 47,000	\$ 47,000
Fines and Penalties.....	2	3	3
Interest .....	7,685	7,500	6,500
Environmental Technology Loan Repayments and Interest.....	1,074	1,175	1,175
Total Receipts .....	51,713	55,678	54,678
<b>Total Funds Available .....</b>	<b>\$ 188,422</b>	<b>\$ 208,111</b>	<b>\$ 173,190</b>
<b>Disbursements:</b>			
Environmental Protection .....	\$ 35,989	\$ 89,599	\$ 92,050
Total Disbursements .....	-35,989	-89,599	-92,050
<b>Cash Balance, Ending .....</b>	<b>\$ 152,433</b>	<b>\$ 118,512</b>	<b>\$ 81,140</b>

# 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. The Department of Labor and Industry is pursuing diversification and privatization of services offered at the center. These plans include training enhancement for clients of the center and economic development opportunities for the Johnstown region.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 3,816	\$ 1,778	\$ 877
<b>Receipts:</b>			
Client Fees .....	\$ 14,095	\$ 15,655	\$ 16,105
Interest.....	206	107	92
Other.....	1,637	1,662	1,707
Total Receipts .....	15,938	17,424	17,904
<b>Total Funds Available .....</b>	<b>\$ 19,754</b>	<b>\$ 19,202</b>	<b>\$ 18,781</b>
<b>Disbursements:</b>			
Labor and Industry.....	\$ 17,976	\$ 18,325	\$ 18,500
Total Disbursements .....	-17,976	-18,325	-18,500
<b>Cash Balance, Ending .....</b>	<b>\$ 1,778</b>	<b>\$ 877</b>	<b>\$ 281</b>



# 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)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 195	\$ 309	\$ 329
<b>Receipts:</b>			
Transfers from Other Funds .....	\$ 450	\$ 1,000	\$ 1,000
Interest .....	22	20	20
Total Receipts .....	472	1,020	1,020
<b>Total Funds Available .....</b>	<b>\$ 667</b>	<b>\$ 1,329</b>	<b>\$ 1,349</b>
<b>Disbursements:</b>			
Environmental Protection .....	\$ 358	\$ 1,000	\$ 1,000
Total Disbursements .....	-358	-1,000	-1,000
<b>Cash Balance, Ending .....</b>	<b>\$ 309</b>	<b>\$ 329</b>	<b>\$ 349</b>

# 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)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 2,053	\$ 2,107	\$ 3,291
<b>Receipts:</b>			
Transfer from Land and Water Development Fund .....	\$ 110	\$ 1,174	\$ 0
Premium Payments .....	55	35	35
Total Receipts .....	165	1,209	35
<b>Total Funds Available .....</b>	<b>\$ 2,218</b>	<b>\$ 3,316</b>	<b>\$ 3,326</b>
<b>Disbursements:</b>			
Environmental Protection .....	\$ 111	\$ 25	\$ 25
Total Disbursements .....	-111	-25	-25
<b>Cash Balance, Ending .....</b>	<b>\$ 2,107</b>	<b>\$ 3,291</b>	<b>\$ 3,301</b>



# School Employees' Retirement Fund

The Public School Employees' Retirement Fund provides for receipt and accounting of member and employer contributions, investment of those funds and payment of benefits to retired school employees.

According to the provisions of Act 29 of 1994, starting with the employer contribution payment for the third quarter of 1995 (school salaries paid from July 1, 1995 to September 30, 1995), employers defined as school entities (school districts, intermediate units, and area vocational technical schools) pay 100 percent of the employer share of contributions to the fund. The Commonwealth pays school entities a portion of these costs from appropriated funds based on a statutory formula. Commonwealth contributions of the employer share for non-school entities are also paid from appropriated funds. These contributions are paid directly to the fund.

Earnings from investments provide additional revenue and pay for the expenses of the Public School Employees' Retirement Board. The board is responsible for management of the fund and payment of benefits. The employer contribution rate is determined by the fund's actuary and adopted by the board.

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)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 44,456,991</b>	<b>\$ 48,704,954</b>	<b>\$ 52,738,028</b>
<b>Receipts:</b>			
Transfer from General Fund —			
Employer Contribution (non-school entities).....	\$ 2,583	\$ 2,176	\$ 945
Transfers from State Retirement System.....	3,645	5,000	5,000
Contributions of School Employees.....	494,403	514,202	542,011
Returned Contributions of			
School Employees.....	14,632	13,000	13,000
Contributions of Employers.....	584,531	443,064	249,298
Interest on Securities.....	216,568	1,533,000	1,663,000
Net Investment Adjustment.....	5,175,017	3,796,132	4,046,554
Directed Commissions.....	12,588	6,700	6,700
Other.....	15,030	20,000	20,000
<b>Total Receipts</b> .....	<b>6,518,997</b>	<b>6,333,274</b>	<b>6,546,508</b>
<b>Total Funds Available</b> .....	<b>\$ 50,975,988</b>	<b>\$ 55,038,228</b>	<b>\$ 59,284,536</b>
<b>Disbursements:</b>			
Treasury .....	\$ 99	\$ 200	\$ 200
Public School Employees'			
Retirement Board .....	2,270,935	2,300,000	2,400,000
<b>Total Disbursements</b> .....	<b>-2,271,034</b>	<b>-2,300,200</b>	<b>-2,400,200</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 48,704,954</b>	<b>\$ 52,738,028</b>	<b>\$ 56,884,336</b>



# 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)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 4,133	\$ 3,544	\$ 3,174
<b>Receipts:</b>			
Assessments.....	\$ 42	\$ 60	\$ 60
Interest.....	209	220	225
Total Receipts .....	251	280	285
<b>Total Funds Available .....</b>	<b>\$ 4,384</b>	<b>\$ 3,824</b>	<b>\$ 3,459</b>
<b>Disbursements:</b>			
Labor and Industry.....	\$ 840	\$ 650	\$ 650
Total Disbursements .....	-840	-650	-650
<b>Cash Balance, Ending .....</b>	<b>\$ 3,544</b>	<b>\$ 3,174</b>	<b>\$ 2,809</b>

# Small Business First Fund

Act 67 of 1996 created the Small Business First Fund. The fund replaces the Air Quality Improvement Fund, Storage Tank Loan Fund and the Pennsylvania Capital Loan Fund. Balances and program commitments in those funds were transferred to the Small Business First Fund. The fund may receive transfers from the Minority Business Development Fund to facilitate its programs for small businesses.

This program provides low-interest loans for small businesses of 100 employees or less. Eligible projects include land and building acquisition and construction; machinery and equipment purchases; working capital; compliance with environmental regulations and municipal or commercial recycling. In addition, companies eligible to participate in this program are those impacted by the reduction in defense-related activities and those involved in exports, advanced technology, and the hospitality industry.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 14,286	\$ 27,979	\$ 28,458
<b>Receipts:</b>			
Transfer from the General Fund.....	\$ 2,000	\$ 25,000	\$ 13,500
Transfer from Hazardous Sites Cleanup Fund.....	5,000	2,000	2,000
Transfer from PA Minority Business Development Fund.....	2,500	2,500	0
Federal Revenue: Defense Conversion.....	262	0	0
Loan Repayments.....	15,693	16,100	18,550
Interest on Securities.....	944	1,300	1,000
Miscellaneous.....	2,503	4	4
Total Receipts .....	28,902	46,904	35,054
<b>Total Funds Available .....</b>	<b>\$ 43,188</b>	<b>\$ 74,883</b>	<b>\$ 63,512</b>
<b>Disbursements:</b>			
Community and Economic Development.....	\$ 15,209	\$ 46,425	\$ 46,700
Total Disbursements .....	-15,209	-46,425	-46,700
<b>Cash Balance, Ending .....</b>	<b>\$ 27,979</b>	<b>\$ 28,458</b>	<b>\$ 16,812</b>



# Solid Waste-Resource Recovery Development Fund

Created in 1974, this fund provides financial assistance to municipalities in the planning, development, construction and operation of resource recovery and solid waste disposal facilities. Loans for new facilities are restricted to municipalities in seventh and eighth class counties. Revenue is provided through appropriations by the General Assembly and by the repayment of loans made to municipalities.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 1,391	\$ 1,049	\$ 614
Receipts:			
Interest.....	\$ 64	\$ 65	\$ 60
Total Receipts .....	64	65	60
Total Funds Available .....	\$ 1,455	\$ 1,114	\$ 674
Disbursements:			
Environmental Protection .....	\$ 406	\$ 500	\$ 500
Total Disbursements .....	-406	-500	-500
Cash Balance, Ending .....	\$ 1,049	\$ 614	\$ 174

# 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)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 200	\$ 200	\$ 200
Receipts:			
Interest and Penalties.....	\$ 4,824	\$ 5,000	\$ 5,000
Other.....	128	130	130
Total Receipts .....	4,952	5,130	5,130
Total Funds Available .....	\$ 5,152	\$ 5,330	\$ 5,330
Disbursements:			
Labor and Industry.....	\$ 4,952	\$ 5,130	\$ 5,130
Total Disbursements .....	-4,952	-5,130	-5,130
Cash Balance, Ending .....	\$ 200	\$ 200	\$ 200



# State College Experimental Farm Fund

Act 56, approved May 13, 1887, authorized the sale of the eastern and western experimental farms which were purchased with Federal land grant monies in 1862. These farms were sold for \$17,000 in 1888 and the proceeds were placed in this fund to be invested in bonds of the Commonwealth at 6 percent per annum with the interest serving as an ongoing revenue to this fund.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 25	\$ 25	\$ 25
<b>Receipts:</b>			
Miscellaneous .....	\$ 1	\$ 1	\$ 1
Total Receipts .....	1	1	1
<b>Total Funds Available .....</b>	<b>\$ 26</b>	<b>\$ 26</b>	<b>\$ 26</b>
<b>Disbursements:</b>			
Treasury .....	\$ 1	\$ 1	\$ 1
Total Disbursements .....	-1	-1	-1
<b>Cash Balance, Ending .....</b>	<b>\$ 25</b>	<b>\$ 25</b>	<b>\$ 25</b>

# State Employees' Retirement Fund

This fund was created in 1924 to accumulate reserves for the payment of pensions to eligible former State employees. Money in this fund is used to pay retirement, disability and death benefits to members of the State Employees' Retirement System and their beneficiaries. Membership in the system is mandatory for most State employees and available to employees of non-state entities, such as the Pennsylvania State University, the Turnpike Commission, the Delaware River Port Authority and other public and quasi-public institutions authorized by the Retirement Code.

The fund receives revenue from employee contributions, employer contributions and income derived from its investment portfolio. Employer contributions are an actuarially determined percentage of payroll sufficient to fund current and future benefit payments. Investment income is used to credit interest to each member's account; to pay the administrative expenses of the retirement system; and to accumulate monies for the payment of future benefits. Management of the fund and payment of benefits are overseen by the State Employees' Retirement Board.

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)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 23,143,497	\$ 25,536,411	\$ 26,948,861
<b>Receipts:</b>			
Contributions of Employees .....	\$ 221,087	\$ 233,000	\$ 240,000
State Share Contribution .....	302,686	230,000	147,000
Income from Securities .....	950,674	643,000	678,000
Net Investment Adjustment .....	2,077,711	1,543,000	1,628,000
Directed Commissions .....	1,357	600	650
Other .....	171	0	0
Total Receipts .....	3,553,686	2,649,600	2,693,650
<b>Total Funds Available .....</b>	<b>\$ 26,697,183</b>	<b>\$ 28,186,011</b>	<b>\$ 29,642,511</b>
<b>Disbursements:</b>			
Treasury .....	\$ 103	\$ 150	\$ 150
State Employees' Retirement System .....	1,160,669	1,237,000	1,311,000
Total Disbursements .....	-1,160,772	-1,237,150	-1,311,150
<b>Cash Balance, Ending .....</b>	<b>\$ 25,536,411</b>	<b>\$ 26,948,861</b>	<b>\$ 28,331,361</b>



# State Insurance Fund

Created in 1915, this fund finances expenditures related 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. Receipts of the fund include reimbursement from the Commonwealth's excess insurance policy, which is responsible for damages for any occurrence in excess of \$1 million.

Unencumbered amounts in the fund in excess of \$3 million on December 31st of each year are 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)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 11,004	\$ 11,126	\$ 9,164
<b>Receipts:</b>			
Recovered Damages.....	\$ 1	\$ 500	\$ 1
Interest .....	1,666	1,750	1,400
Total Receipts .....	<u>1,667</u>	<u>2,250</u>	<u>1,401</u>
<b>Total Funds Available .....</b>	<b>\$ 12,671</b>	<b>\$ 13,376</b>	<b>\$ 10,565</b>
<b>Disbursements:</b>			
Treasury.....	\$ 0	\$ 5	\$ 5
General Services.....	1,545	4,207	3,457
Total Disbursements .....	<u>-1,545</u>	<u>-4,212</u>	<u>-3,462</u>
<b>Cash Balance, Ending .....</b>	<b>\$ 11,126</b>	<b>\$ 9,164</b>	<b>\$ 7,103</b>

# 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 1986-87 the Main Capitol Restaurant was enlarged and relocated into the East Wing of the Capitol.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 1,267	\$ 1,358	\$ 1,423
<b>Receipts:</b>			
Revenue from Operations.....	\$ 113	\$ 110	\$ 110
Other.....	69	75	70
Total Receipts .....	<u>182</u>	<u>185</u>	<u>180</u>
<b>Total Funds Available .....</b>	<b>\$ 1,449</b>	<b>\$ 1,543</b>	<b>\$ 1,603</b>
<b>Disbursements:</b>			
General Services.....	\$ 91	\$ 120	\$ 125
Total Disbursements .....	<u>-91</u>	<u>-120</u>	<u>-125</u>
<b>Cash Balance, Ending .....</b>	<b>\$ 1,358</b>	<b>\$ 1,423</b>	<b>\$ 1,478</b>





# State School Fund

This fund was established in 1911 and is funded primarily by the sale of escheated estates and other nonpublic real estate and interest earnings of the Sinking Fund. Changes in the escheat law and lack of interest earnings from the Sinking Fund or investment of monies in the State School Fund have resulted in a low revenue level. The fund is active in only a limited sense.

The original purpose of the fund was to equalize educational advantages across the Commonwealth; to provide advancements to school districts temporarily in need of aid; and to promote education in the conservation of natural resources, forestry, agriculture and other industrial pursuits. The law was amended in 1960 to change the purpose of the fund to equalization of educational opportunities, and to pay part of the cost of repair or alteration of local public school or State college buildings when required to satisfy requirements of the Department of Labor and Industry or other relevant governmental agencies.

Expenditures from the fund are made at the direction of the State Board of Education.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 461	\$ 486	\$ 501
<b>Receipts:</b>			
Sinking Fund Interest.....	\$ 8	\$ 8	\$ 8
Treasury Interest.....	22	22	22
Other.....	0	0	0
Total Receipts .....	<u>30</u>	<u>30</u>	<u>30</u>
<b>Total Funds Available .....</b>	<b>\$ 491</b>	<b>\$ 516</b>	<b>\$ 531</b>
<b>Disbursements:</b>			
Education.....	\$ 5	\$ 15	\$ 15
Total Disbursements .....	<u>-5</u>	<u>-15</u>	<u>-15</u>
<b>Cash Balance, Ending .....</b>	<b>\$ 486</b>	<b>\$ 501</b>	<b>\$ 516</b>



# State Stores Fund

The State Stores Fund serves as the general operating fund for the Liquor Control Board. The Pennsylvania State Police receive funds for the enforcement of the Liquor Code. The Department of Health receives funds for alcohol abuse programs. This fund receives revenues from the sale of goods in State Liquor Stores, fees not credited to the Liquor License Fund, fines and penalties, losses and damages recovered, and loans from the General Fund to provide working capital. Expenditures cover all costs associated with the operation and administration of the Liquor Store System and enforcement of the Liquor Code. Any surplus is transferred to the General Fund.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 77,821	\$ 118,380	\$ 160,247
<b>Receipts:</b>			
Fees.....	\$ 9,809	\$ 9,087	\$ 9,087
Fines and Penalties.....	971	1,000	1,000
Sale of Goods.....	1,007,582	1,053,749	1,074,824
Recovered Losses and Damages.....	5,425	6,328	6,059
General Fund Loans.....	66,000	66,000	66,000
Other.....	6,773	6,637	6,676
Total Receipts .....	<u>1,096,560</u>	<u>1,142,801</u>	<u>1,163,646</u>
<b>Total Funds Available .....</b>	<b><u>\$ 1,174,381</u></b>	<b><u>\$ 1,261,181</u></b>	<b><u>\$ 1,323,893</u></b>
<b>Disbursements:</b>			
Treasury.....	\$ 10	\$ 30	\$ 30
Health.....	1,478	1,317	1,477
Liquor Control Board .....	1,038,775 <sup>a</sup>	1,082,706 <sup>a</sup>	1,107,212 <sup>a</sup>
State Police.....	15,738	16,881	17,395
Total Disbursements .....	<u>-1,056,001</u>	<u>-1,100,934</u>	<u>-1,126,114</u>
<b>Cash Balance, Ending .....</b>	<b><u>\$ 118,380</u></b>	<b><u>\$ 160,247</u></b>	<b><u>\$ 197,779</u></b>

<sup>a</sup> Includes repayment of General Fund Loans.

# State Treasury Armory Fund

Created in accordance with Act 92 of 1975 and Act 126 of 1979, 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)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 1,421	\$ 1,226	\$ 642
<b>Receipts:</b>			
Armory Rentals.....	\$ 306	\$ 280	\$ 270
Interest .....	63	80	79
Sale of Armories and Land.....	159	280	85
Total Receipts .....	<u>528</u>	<u>640</u>	<u>434</u>
<b>Total Funds Available .....</b>	<b><u>\$ 1,949</u></b>	<b><u>\$ 1,866</u></b>	<b><u>\$ 1,076</u></b>
<b>Disbursements:</b>			
Military and Veterans Affairs.....	\$ 723	\$ 1,224	\$ 500
Total Disbursements .....	<u>-723</u>	<u>-1,224</u>	<u>-500</u>
<b>Cash Balance, Ending .....</b>	<b><u>\$ 1,226</u></b>	<b><u>\$ 642</u></b>	<b><u>\$ 576</u></b>



# State Workmen's Insurance Fund

The State Workmen's Insurance Fund (SWIF) was created by Act 338 of 1915, and operates within the Department of Labor and Industry. It is a self-sustaining fund providing workers' compensation insurance to employers, including those refused policies by private insurance firms. SWIF is subject to underwriting rules, classification and rates promulgated by rating bureaus authorized by the State Insurance Commissioner. Premium rates are established by them based on the history of accidents by industry. Administrative costs are paid from the fund including expenses related to Insurance Department and Auditor General examinations.

Act 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 Tax Stabilization Reserve Fund 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 policyholders must be approved and appropriated by the General Assembly.

The net investment adjustment shown below is to reflect the current market value of long-term investments as of June 30.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 1,498,748	\$ 1,402,753	\$ 1,296,878
<b>Receipts:</b>			
Premiums.....	\$ 75,810	\$ 74,440	\$ 62,300
Interest.....	99,903	91,740	83,680
Other.....	7,135	7,275	6,950
Total Receipts .....	<u>182,848</u>	<u>173,455</u>	<u>152,930</u>
<b>Total Funds Available .....</b>	<b>\$ 1,681,596</b>	<b>\$ 1,576,208</b>	<b>\$ 1,449,808</b>
<b>Disbursements:</b>			
Treasury.....	\$ 124	\$ 150	\$ 150
Labor and Industry.....	253,728	277,940	251,670
Premium Tax Payment to the General Fund.....	1,588	1,240	1,260
Net Investment Adjustment.....	23,403	0	0
Total Disbursements .....	<u>-278,843</u>	<u>-279,330</u>	<u>-253,080</u>
<b>Cash Balance, Ending .....</b>	<b>\$ 1,402,753</b>	<b>\$ 1,296,878</b>	<b>\$ 1,196,728</b>



# 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 recover costs. Expenditures include the remediation of leaking underground storage tanks.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 21,003	\$ 21,313	\$ 21,636
<b>Receipts:</b>			
Registration Fees.....	\$ 4,427	\$ 4,072	\$ 3,837
Federal Funds - EPA.....	1,547	2,721	2,751
Fines and Penalties.....	200	142	142
Interest.....	1,123	1,250	1,265
Other.....	11	733	856
Total Receipts .....	7,308	8,918	8,851
<b>Total Funds Available .....</b>	<b>\$ 28,311</b>	<b>\$ 30,231</b>	<b>\$ 30,487</b>
<b>Disbursements:</b>			
Environmental Protection.....	\$ 6,998	\$ 8,595	\$ 9,508
Total Disbursements .....	-6,998	-8,595	-9,508
Cash Balance, Ending .....	\$ 21,313	\$ 21,636	\$ 20,979

# Supplemental State Assistance Fund

This fund was created by Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act, and is administered by the Auditor General. Under Act 205, the Auditor General is responsible for the administration of the Supplemental State Assistance Program, including disbursement of funds to distressed municipal pension systems based on certifications provided by the Public Employe Retirement Commission (PERC). Since 1989-90, revenues for the Supplemental State Assistance Fund have been provided entirely by General Fund appropriations which cannot exceed \$35 million annually. This program and fund shall terminate in 2003 or in the first year in which there are no municipalities entitled to receive Supplemental State Assistance, whichever occurs earlier.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 42	\$ 45	\$ 47
<b>Receipts:</b>			
General Fund Appropriation.....	\$ 708	\$ 113	\$ 424
Interest .....	3	2	0
Total Receipts .....	711	115	424
<b>Total Funds Available .....</b>	<b>\$ 753</b>	<b>\$ 160</b>	<b>\$ 471</b>
<b>Disbursements:</b>			
Auditor General.....	\$ 708	\$ 113	\$ 424
Total Disbursements .....	-708	-113	-424
Cash Balance, Ending .....	\$ 45	\$ 47	\$ 47



# Surface Mining Conservation and Reclamation Fund

This fund was created in 1945 to finance reclamation projects on land scarred by surface mining. Projects include recontouring, terracing and planting of trees, shrubs and grasses. Revenues are provided by charging surface mining operators for licenses and permits and by fining them for failure to apply for the licenses and permits as well as by forfeiture of collateral bonds, cash or securities for failure to comply with an approved reclamation plan.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 31,281	\$ 28,737	\$ 29,873
<b>Receipts:</b>			
Licenses and Fees.....	\$ 75	\$ 206	\$ 206
Fines and Penalties.....	98	190	190
Interest.....	1,608	1,940	1,940
Forfeiture of Bonds.....	209	750	750
Trust Account Collateral.....	131	400	400
Other.....	808	500	500
<b>Total Receipts</b> .....	<b>2,929</b>	<b>3,986</b>	<b>3,986</b>
<b>Total Funds Available</b> .....	<b>\$ 34,210</b>	<b>\$ 32,723</b>	<b>\$ 33,859</b>
<b>Disbursements:</b>			
Treasury.....	\$ 0	\$ 60	\$ 5
Environmental Protection.....	5,473	2,790	2,844
<b>Total Disbursements</b> .....	<b>-5,473</b>	<b>-2,850</b>	<b>-2,849</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 28,737</b>	<b>\$ 29,873</b>	<b>\$ 31,010</b>

# 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. Interest earned in the fund is periodically transferred to the General Fund.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
<b>Cash Balance, Beginning</b> .....	\$ 1,279	\$ 8	\$ 8
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 0	\$ 0	\$ 569,492
Interest on Securities.....	566	0	500
<b>Total Receipts</b> .....	<b>566</b>	<b>0</b>	<b>569,992</b>
<b>Total Funds Available</b> .....	<b>\$ 1,845</b>	<b>\$ 8</b>	<b>\$ 570,000</b>
<b>Disbursements:</b>			
Treasury.....	\$ 1,837	\$ 0	\$ 570,000
<b>Total Disbursements</b> .....	<b>-1,837</b>	<b>0</b>	<b>-570,000</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 8</b>	<b>\$ 8</b>	<b>\$ 0</b>



# Tax Stabilization Reserve Fund

Created by Act 32 of 1985, 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 annual transfer of fifteen percent of the General Fund's fiscal year ending surplus, transfers of surplus funds from the State Workman's Insurance Fund and from appropriations by the General Assembly. Appropriations out of the fund require approval by two-thirds of the members of the General Assembly.

Act 68 of 1990 provides for the transfer of money from the State Workmen's Insurance Fund (SWIF) to this fund. 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 surplus exists, the SWIF Board based on recommendations of an advisory council may recommend distribution of any surplus to the Tax Stabilization Reserve Fund and/or as refunds to current or former policyholders. The funds recommended by the board to be transferred to this fund and those refunded to policyholders must be approved and appropriated by the General Assembly.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 431,381	\$ 685,503	\$ 988,751
<b>Receipts:</b>			
Transfer from General Fund .....	\$ 223,302	\$ 255,448	\$ 78,332
Interest .....	30,820	47,800	62,000
Total Receipts .....	254,122	303,248	140,332
<b>Total Funds Available .....</b>	<b>\$ 685,503</b>	<b>\$ 988,751</b>	<b>\$ 1,129,083</b>
Cash Balance, Ending .....	\$ 685,503	\$ 988,751	\$ 1,129,083

# 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 the beneficiary attending any 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 administrative costs.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 102,812	\$ 130,572	\$ 162,497
<b>Receipts:</b>			
Application Fees .....	\$ 115	\$ 125	\$ 150
Tuition Purchases .....	24,500	30,000	32,000
Investment Earnings .....	8,715	10,000	12,000
Other .....	365	300	300
Total Receipts .....	33,695	40,425	44,450
<b>Total Funds Available .....</b>	<b>\$ 136,507</b>	<b>\$ 170,997</b>	<b>\$ 206,947</b>
<b>Disbursements:</b>			
Treasury .....	\$ 5,935	\$ 8,500	\$ 11,000
Total Disbursements .....	-5,935	-8,500	-11,000
Cash Balance, Ending .....	\$ 130,572	\$ 162,497	\$ 195,947



# Underground Storage Tank Indemnification Fund

The Storage Tank and Spill Prevention Act, Act 32 of 1989, as amended, established the Underground Storage Tank Indemnification Fund to administer a program to provide claim payments to owners and operators of underground storage tanks who incur liability for taking corrective action or for bodily injury or property damage caused by a release from underground storage tanks. Expenses for administration of the fund are also covered. The fund is administered by the Insurance Department in conjunction with a nine member Underground Storage Tank Indemnification Board.

Act 32 authorized the board to establish a fee to be paid by underground storage tank owners and operators to fund the program. Tank owners currently pay a gallon fee of 0.5 cents. Owners of diesel fuel and heating oil tanks pay a capacity fee of 10 cents in lieu of the gallon fee. As of January 1, 1999 the gallon fee dropped to 0.1 cents per gallon and the tank capacity fee to 2 cents per gallon. Act 13 of 1998 established a new loan program to assist owners of regulated underground storage tanks to upgrade their underground storage tank systems to meet Federal Environmental Protection Agency upgrade requirements or to remove them from service. The Department of Community and Economic Development administers the loan program as part of its business loans program. The act also establishes an environmental cleanup program and a pollution prevention program which are administered by the Department of Environmental Protection.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
<b>Cash Balance, Beginning</b> .....	<b>\$ 359,271</b>	<b>\$ 364,458</b>	<b>\$ 311,226</b>
<b>Receipts:</b>			
Gallon Fee .....	\$ 15,091	\$ 5,000	\$ 2,500
Tank Capacity Fee .....	4,982	1,000	500
Investment Income .....	19,348	13,000	15,000
Miscellaneous .....	232	10	10
<b>Total Receipts</b> .....	<b>39,653</b>	<b>19,010</b>	<b>18,010</b>
<b>Total Funds Available</b> .....	<b>\$ 398,924</b>	<b>\$ 383,468</b>	<b>\$ 329,236</b>
<b>Disbursements:</b>			
Community and Economic Development.....	\$ 3,975	\$ 20,757	\$ 20,576
Environmental Protection.....	1,205	6,500	6,500
Insurance.....	29,286	44,985	40,074
<b>Total Disbursements</b> .....	<b>-34,466</b>	<b>-72,242</b>	<b>-67,150</b>
<b>Cash Balance, Ending</b> .....	<b>\$ 364,458</b>	<b>\$ 311,226</b>	<b>\$ 262,086</b>



# 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)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 4,976	\$ 0	\$ 0
<b>Receipts:</b>			
Regular Unemployment Compensation Program.....	\$ 1,415,660	\$ 1,605,000	\$ 1,703,000
Federal Receipts in Transit <sup>a</sup> .....	10,981	12,400	13,200
Other.....	58,506	63,000	64,000
Total Receipts .....	1,485,147	1,680,400	1,780,200
<b>Total Funds Available .....</b>	<b>\$ 1,490,123</b>	<b>\$ 1,680,400</b>	<b>\$ 1,780,200</b>
<b>Disbursements:</b>			
Labor and Industry.....	\$ 1,490,123	\$ 1,680,400	\$ 1,780,200
Total Disbursements .....	- 1,490,123	- 1,680,400	- 1,780,200
<b>Cash Balance, Ending .....</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

<sup>a</sup> Represents future receipts of funds from the Federal Government for checks issued to individual recipients.

# Unemployment Compensation Contribution Fund

This fund was created to hold moneys collected from employers under the Unemployment Compensation Law and, except for refunds of collections or transfers to the Special Administration Fund, the moneys are transferred to the United States Treasury for credit to the Commonwealth's account in the Federal Unemployment Trust Fund established under Section 904 of the Social Security Act.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 275	\$ 1,862	\$ 0
<b>Receipts:</b>			
Contributions of Employers and Employees.....	\$ 1,475,632	\$ 1,489,000	\$ 1,508,000
Other.....	360	370	380
Total Receipts .....	1,475,992	1,489,370	1,508,380
<b>Total Funds Available .....</b>	<b>\$ 1,476,267</b>	<b>\$ 1,491,232</b>	<b>\$ 1,508,380</b>
<b>Disbursements:</b>			
Labor and Industry.....	\$ 1,474,405	\$ 1,491,232	\$ 1,508,380
Total Disbursements .....	1,474,405	-1,491,232	-1,508,380
<b>Cash Balance, Ending .....</b>	<b>\$ 1,862</b>	<b>\$ 0</b>	<b>\$ 0</b>





# 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. The annual appropriation from the General Fund for general obligation debt service provides the revenues to this fund.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 2,592	\$ 2,602	\$ 478
Total Receipts .....	<u>2,592</u>	<u>2,602</u>	<u>478</u>
Total Funds Available .....	<u>\$ 2,592</u>	<u>\$ 2,602</u>	<u>\$ 478</u>
Disbursements:			
Treasury.....	\$ 2,592	\$ 2,602	\$ 478
Total Disbursements .....	<u>-2,592</u>	<u>-2,602</u>	<u>-478</u>
Cash Balance, Ending .....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

# 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 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, General Fund appropriation of matching funds and interest earned.

This presentation reflects the transfer of services for the blind or visually impaired from the Department of Public Welfare to the Office of Vocational Rehabilitation within the Department of Labor and Industry, effective July 1, 1999.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 7,527	\$ 9,464	\$ 7,833
Receipts:			
Transfer from General Fund.....	\$ 26,574	\$ 35,085	\$ 36,158
Federal Vocational Rehabilitation Funds.....	103,110	123,503	123,811
Other.....	436	820	460
	<u>130,120</u>	<u>159,408</u>	<u>160,429</u>
Total Funds Available .....	<u>\$ 137,647</u>	<u>\$ 168,872</u>	<u>\$ 168,262</u>
Disbursements:			
Labor and Industry.....	\$ 128,183	\$ 161,039	\$ 160,529
Total Disbursements .....	<u>- 128,183</u>	<u>- 161,039</u>	<u>- 160,529</u>
Cash Balance, Ending .....	<u>\$ 9,464</u>	<u>\$ 7,833</u>	<u>\$ 7,733</u>



# 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; loans provided for under these bond issues are administered by the Pennsylvania Emergency Management Agency. Revenue to the fund in addition to bond proceeds includes loan repayments and interest earnings.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 4,097	\$ 19,200	\$ 12,222
<b>Receipts:</b>			
Loan Principal Repayments.....	\$ 11,164	\$ 11,500	\$ 11,850
Transfer from the General Fund.....	20,000	0	0
Loan Interest.....	1,703	1,777	1,852
Interest on Securities.....	1,014	750	500
Total Receipts .....	<u>33,881</u>	<u>14,027</u>	<u>14,202</u>
<b>Total Funds Available.....</b>	<b>\$ 37,978</b>	<b>\$ 33,227</b>	<b>\$ 26,424</b>
<b>Disbursements:</b>			
Treasury.....	\$ 0	\$ 5	\$ 0
Emergency Management Agency.....	18,778	21,000	20,000
Total Disbursements .....	<u>-18,778</u>	<u>-21,005</u>	<u>-20,000</u>
Cash Balance, Ending .....	<u>\$ 19,200</u>	<u>\$ 12,222</u>	<u>\$ 6,424</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. The annual appropriation from the the General Fund for general obligation debt service provides revenues to the fund.

## Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 0	\$ 1	\$ 0
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 3,188	\$ 3,093	\$ 2,987
Interest on Securities.....	1	0	0
Total Receipts .....	<u>3,189</u>	<u>3,093</u>	<u>2,987</u>
<b>Total Funds Available .....</b>	<b>\$ 3,189</b>	<b>\$ 3,094</b>	<b>\$ 2,987</b>
<b>Disbursements:</b>			
Treasury.....	\$ 3,188	\$ 3,094	\$ 2,987
Total Disbursements .....	<u>-3,188</u>	<u>-3,094</u>	<u>-2,987</u>
Cash Balance, Ending .....	<u>\$ 1</u>	<u>\$ 0</u>	<u>\$ 0</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)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 0	\$ 0	\$ 0
<b>Receipts:</b>			
Sale of Bonds.....	\$ 0	\$ 1,500	\$ 0
Total Receipts .....	0	1,500	0
<b>Total Funds Available .....</b>	<b>\$ 0</b>	<b>\$ 1,500</b>	<b>\$ 0</b>
<b>Disbursements:</b>			
Infrastructure Investment Authority.....	\$ 0	\$ 1,500	\$ 0
Total Disbursements .....	0	-1,500	0
<b>Cash Balance, Ending .....</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

# Water Facilities Loan Redemption Fund

Payment of interest and principal due on outstanding water facilities loan bonds is made from this fund. The annual appropriation from the General Fund for general obligation debt service and interest on monies in the Water Facilities Loan Fund provide revenues to this fund.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 0	\$ 1	\$ 0
<b>Receipts:</b>			
Transfer from General Fund.....	\$ 12,983	\$ 12,854	\$ 12,787
Total Receipts .....	12,983	12,854	12,787
<b>Total Funds Available .....</b>	<b>\$ 12,983</b>	<b>\$ 12,855</b>	<b>\$ 12,787</b>
<b>Disbursements:</b>			
Treasury.....	\$ 12,982	\$ 12,855	\$ 12,787
Total Disbursements .....	-12,982	-12,855	-12,787
<b>Cash Balance, Ending .....</b>	<b>\$ 1</b>	<b>\$ 0</b>	<b>\$ 0</b>



# 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)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 1,423	\$ 1,073	\$ 669
<b>Receipts:</b>			
Tax Check-Offs.....	\$ 307	\$ 310	\$ 310
Interest on Securities.....	67	100	100
Voluntary Donations.....	22	20	20
License Plate Sales.....	52	250	250
Other.....	30	20	20
Total Receipts .....	478	700	700
<b>Total Funds Available .....</b>	<b>\$ 1,901</b>	<b>\$ 1,773</b>	<b>\$ 1,369</b>
<b>Disbursements:</b>			
Conservation and Natural Resources.....	\$ 828	\$ 1,104	\$ 1,100
Total Disbursements .....	-828	-1,104	-1,100
<b>Cash Balance, Ending .....</b>	<b>\$ 1,073</b>	<b>\$ 669</b>	<b>\$ 269</b>

# Workmen's Compensation Administration Fund

This fund was created by Act 2 of 1976 to finance the expenses of the Department of Labor and Industry in administering the Pennsylvania Workers' Compensation Act and the Pennsylvania Occupational Disease Act. Act 44 of 1993 and Act 57 of 1996 amended the Workers' Compensation Act, expanding the administrative responsibilities of the department. The fund is supported by annual assessments on insurers and self-insurers under the act. These administrative funds are approved by the Legislature for expenditure through the appropriation process.

## Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 44,848	\$ 40,512	\$ 43,836
<b>Receipts:</b>			
Assessments.....	\$ 43,198	\$ 45,086	\$ 46,439
Other.....	3,587	3,500	3,500
Total Receipts .....	46,785	48,586	49,939
<b>Total Funds Available .....</b>	<b>\$ 91,633</b>	<b>\$ 89,098</b>	<b>\$ 93,775</b>
<b>Disbursements:</b>			
Community and Economic Development.....	\$ 135	\$ 176	\$ 178
Labor and Industry.....	50,986	45,086	46,388
Total Disbursements .....	-51,121	-45,262	-46,566
<b>Cash Balance, Ending .....</b>	<b>\$ 40,512</b>	<b>\$ 43,836</b>	<b>\$ 47,209</b>



# 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 first loan was fully repaid in 1994-95. A \$52.5 million loan was made in 1997-98 and is scheduled to be repaid over five years.

Payment equal to one percent of the net written premiums received for workers' compensation insurance policies written in the Commonwealth by stock companies, mutual carriers and reciprocal exchanges during the preceding annual reporting period 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 Workers' Compensation Law.

As of June 30, 1999, the indemnity reserves were \$264.3 million, the medical reserves were \$53.6 million, and the legal reserves were \$1.5 million. The June 30, 1999 fund balance less reserves was \$209 million, while five percent of the outstanding workers' compensation carrier reserves were \$304.3 million. A one percent assessment was made for 1998-99 and a one percent assessment is anticipated again in 1999-2000.

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)

	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 446,348	\$ 479,751	\$ 526,467
<b>Receipts:</b>			
Premium Contributions .....	\$ 41,869	\$ 33,000	\$ 33,000
Interest on Securities .....	25,417	30,000	30,000
Loan Repayment .....	6,000	12,000	12,000
Net Investment Adjustment.....	-5,216	465	465
Total Receipts .....	68,070	75,465	75,465
<b>Total Funds Available .....</b>	<b>\$ 514,418</b>	<b>\$ 555,216</b>	<b>\$ 601,932</b>
<b>Disbursements:</b>			
Treasury .....	\$ 1	\$ 5	\$ 5
Insurance .....	34,666	28,744	28,700
Total Disbursements .....	-34,667	-28,749	-28,705
<b>Cash Balance, Ending .....</b>	<b>\$ 479,751</b>	<b>\$ 526,467</b>	<b>\$ 573,227</b>



# 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)		
	1998-99 Actual	1999-00 Available	2000-01 Estimated
Cash Balance, Beginning .....	\$ 411	\$ 302	\$ 302
<b>Receipts:</b>			
Assessments.....	\$ 54,854	\$ 55,000	\$ 55,500
Other.....	1,516	1,500	1,600
Total Receipts .....	<u>56,370</u>	<u>56,500</u>	<u>57,100</u>
<b>Total Funds Available .....</b>	<b>\$ 56,781</b>	<b>\$ 56,802</b>	<b>\$ 57,402</b>
<b>Disbursements:</b>			
Labor and Industry.....	\$ 56,479	\$ 56,500	\$ 57,100
Total Disbursements .....	<u>-56,479</u>	<u>-56,500</u>	<u>-57,100</u>
<b>Cash Balance, Ending .....</b>	<b>\$ 302</b>	<b>\$ 302</b>	<b>\$ 302</b>





Governor's Executive Budget

# *COMPLEMENT*



---

# COMPLEMENT

This section provides a summary by department of salaried complement on a full-time equivalent (FTE) basis for the actual, available and budget years. It also provides a brief description by agency and appropriation of the changes recommended in the budget.





**SALARIED COMPLEMENT BY AGENCY  
FULL-TIME EQUIVALENT (FTE)**

The following is a summary, by department, of the 1998-99 actual, 1999-00 available and 2000-01 recommended salaried complement levels on a full-time equivalent (FTE) basis.

<i>Department</i>	<i>1998-99 Actual</i>	<i>1999-00 Available</i>	<i>2000-01 Budget</i>	<i>Difference Budget vs. Available</i>
Governor's Office	91	91	91	
Executive Offices	2,257	2,259	2,312	53
Lieutenant Governor's Office	16	17	17	
Aging	107	108	108	
Agriculture	630	638	637	-1
Banking	124	124	121	-3
Civil Service Commission	181	181	181	
Community and Economic Development	332	342	346	4
Conservation and Natural Resources	1,312	1,321	1,339	18
Corrections	13,234	14,320	14,690	370
Education	1,121	834	833	-1
Emergency Management Agency	137	141	142	1
Environmental Hearing Board	22	22	22	
Environmental Protection	3,122	3,163	3,181	18
Fish & Boat Commission	440	441	441	
Game Commission	731	731	731	
General Services	1,321	1,326	1,351	25
Health	1,345	1,395	1,426	31
Historical and Museum Commission	333	345	350	5
Infrastructure Investment Authority	23	23	23	
Insurance	298	305	320	15
Labor and Industry	6,242	6,401	6,408	7
Liquor Control Board	2,969	2,969	2,969	
Military and Veterans Affairs	2,051	2,082	2,101	19
Milk Marketing Board	36	36	36	
Municipal Employees' Retirement	22	24	24	
Probation and Parole Board	948	957	969	12
Public Television Network	20	20	20	
Public Utility Commission	538	538	538	
Public Welfare	23,732	22,956	21,377	-1,579
Revenue	2,279	2,279	2,279	
School Employees' Retirement System	290	290	290	
Securities Commission	74	83	84	1
State	404	404	406	2
State Employees' Retirement System	191	191	191	
State Police	5,604	5,671	5,695	24
Tax Equalization Board	22	22	22	
Transportation	12,348	12,351	12,351	
<b>TOTAL ALL DEPARTMENTS</b>	<b>84,947</b>	<b>85,401</b>	<b>84,422</b>	<b>-979</b>



## Summary of 2000-01 Complement Changes

The following is a detailed listing, by department, of the recommended salaried complement changes (on a full-time equivalent basis) for 2000-01. It reflects proposed eliminations, new positions and transfers between appropriations and agencies.

Department / Fund / Appropriation	Increase/ Decrease	Comment on Complement Change
<b>EXECUTIVE OFFICES</b>		
General Fund:		
Commission on Crime & Delinquency.....	-3	TRANSFERRED: To Weed & Seed program (-2); to Partnership for Safe Children (-1).
Office of General Counsel.....	5	NEW: Technology and Infrastructure (5).
Inspector General - Welfare Fraud.....	12	NEW: Expansion of front-end welfare fraud investigations (12).
Radio System Development.....	-8	TRANSFERRED: To Commonwealth Technology Services (-8).
African American Commission.....	1	NEW: Program enhancement (1).
Commonwealth Technology Services.....	-4	NEW: PRR-Enhancing Information Technology to Better Serve Pennsylvania: Radio System Management (6). TRANSFERRED: From Radio Systems Development (8); to Communications Management (-15). ELIMINATED: functions consolidated (-3).
Communications Management.....	30	NEW: PRR-Enhancing Information Technology to Better Serve Pennsylvania: Communications Management (15). TRANSFERRED: From Commonwealth Technology Services (15).
Partnership for Safe Children.....	4	NEW: PRR-Protecting Public Safety Through Enforcement, Prevention and Rehabilitation (2). TRANSFERRED: PRR-Protecting Public Safety Through Enforcement, Prevention and Rehabilitation: From Commission on Crime and Delinquency (1); from DFSC - Special Programs (F) (1).
Electronic Government.....	3	NEW: PRR-Enhancing Information Technology to Better Serve Pennsylvania: Commonwealth website development (3).
Weed and Seed Program.....	2	TRANSFERRED: PRR-Protecting Public Safety Through Enforcement, Prevention and Rehabilitation: From Commission on Crime and Delinquency (2).
Rural Development Council.....	1	NEW: Development of rural programs (1).
Integrated Management System.....	4	NEW: PRR-Enhancing Information Technology to Better Serve Pennsylvania: Development of new integrated management system (4).
Human Relations Commission.....	4	NEW: Information systems (4).
General Fund Total	<u>51</u>	
Federal Funds:		
DFSC - Special Programs (F).....	-1	TRANSFERRED: To Partnership for Safe Children (-1).
Medical Professional Liability Catastrophe Loss Fund:		
General Operations.....	3	NEW: To meet mandated court appearances (2) and information technology (1).
DEPARTMENT TOTAL	<u>53</u>	
<b>LT. GOVERNOR'S OFFICE</b>		
General Fund:		
Lt. Governor's Office.....	1	TRANSFERRED: From PRIME Implementation (1).
PRIME Implementation.....	-1	TRANSFERRED: To Lt. Governor's Office (-1).
DEPARTMENT TOTAL	<u>0</u>	
<b>AGING</b>		
General Fund:		
Medical Assistance Support.....	-13	TRANSFERRED: To General Government Operations - Lottery Program (-13).
General Government Operations - Lottery Programs.....	13	TRANSFERRED: From Medical Assistance Support (13).
DEPARTMENT TOTAL	<u>0</u>	



## Summary of 2000-01 Complement Changes

Department / Fund / Appropriation	Increase/ Decrease	Comment on Complement Change
<b>AGRICULTURE</b>		
General Fund:		
Agricultural Conservation Easement Administration.....	2	TRANSFERRED: From General Government Operations (2).
General Government Operations.....	-2	TRANSFERRED: To Agricultural Conservation Easement Administration (-2).
General Fund Total	0	
Federal Funds:		
Poultry Grading Service (F).....	-1	ELIMINATED: Federal funds discontinued (-1).
<b>DEPARTMENT TOTAL</b>	<b>-1</b>	
<b>BANKING</b>		
Banking Department Fund		
General Government Operations.....	-3	ELIMINATED: Functions consolidated (-3).
<b>COMMUNITY AND ECONOMIC DEVELOPMENT</b>		
General Fund:		
Land Use Planning Assistance.....	4	NEW: PRR-Vision for the 21st Century Environment (4).
<b>CONSERVATION AND NATURAL RESOURCES</b>		
General Fund:		
State Parks Operations.....	3	NEW: State Park enhancements (3).
General Government Operations.....	15	NEW: PRR-Vision for the 21st Century Environment: Growing Greener Program Support (13) and information technology (2).
<b>DEPARTMENT TOTAL</b>	<b>18</b>	
<b>CORRECTIONS</b>		
General Fund:		
Medical Care.....	16	NEW: PRR-Protecting Public Safety Through Enforcement, Prevention and Rehabilitation: SCI Pine Grove opening (16).
Inmate Education and Training.....	16	NEW: PRR-Protecting Public Safety Through Enforcement, Prevention and Rehabilitation: SCI Pine Grove opening (7) and Corrections Education (9).
State Correctional Institutions.....	335	NEW: PRR-Protecting Public Safety Through Enforcement, Prevention and Rehabilitation: SCI Pine Grove opening (191), SCI Muncy Restricted Housing unit (13), SCI Laurel Highlands expansion (20) and security enhancements (111).
General Government Operations.....	3	NEW: Communications (1) and JNET (2).
<b>DEPARTMENT TOTAL</b>	<b>370</b>	
<b>EDUCATION</b>		
General Fund:		
General Government Operations.....	7	NEW: PRR-Improving Our Schools (3), teacher decertification reviews (3) and charter school appeal reviews (1).
State Library.....	1	NEW: PRR-Improving Our Schools (1).
General Fund Total	8	
Federal Funds:		
Higher Education Readiness - Admin. (F).....	-1	ELIMINATED: Federal funds not received (-1).
JTPA - Linkage (F).....	-8	ELIMINATED: Federal funds discontinued (-8).
Federal Funds Total	-9	
<b>DEPARTMENT TOTAL</b>	<b>-1</b>	



## Summary of 2000-01 Complement Changes

Department / Fund / Appropriation	Increase/ Decrease	Comment on Complement Change
<b>EMERGENCY MANAGEMENT AGENCY</b>		
General Fund:		
General Government Operations.....	<u>1</u>	NEW: Information technology (1).
<b>ENVIRONMENTAL PROTECTION</b>		
General Fund:		
Office of Pollution Prevention and Compliance Assistance.....	7	NEW: PRR-Vision for the 21st Century Environment: Growing Greener Support Center (7).
Environmental Protection Operations.....	0	NEW: PRR-Vision for the 21st Century Environment: Growing Greener Watershed Activities. (Reflects reallocation of 14 existing positions.)
Environmental Program Management.....	3	NEW: PRR-Vision for the 21st Century Environment: Growing Greener Watershed Activities (4), information technology support (3), and air quality monitoring enhancements (3). (Includes reallocation of seven existing positions.)
Radiation Protection Fund.....	<u>6</u>	NEW: Radiation Protection Agreement - State Implementation (6).
General Fund Total	<u>16</u>	
Clean Air Fund:		
Major Emission Facilities.....	<u>2</u>	NEW: Air quality monitoring enhancements (2).
DEPARTMENT TOTAL	<u>18</u>	
<b>GENERAL SERVICES</b>		
General Fund:		
Capitol Police.....	6	NEW: Integrated monitoring control system (6).
General Government Operations.....	<u>19</u>	NEW: Keystone Building maintenance and operations (18), and Media Services operations (1).
DEPARTMENT TOTAL	<u>25</u>	
<b>HEALTH</b>		
General Fund:		
Quality Assurance.....	7	NEW: Long-Term Care Quality Assurance Improvement (4); enhanced oversight of facilities and home health areas (3).
State Health Care Centers.....	6	NEW: Tobacco Settlement program (6).
General Government Operations.....	<u>17</u>	NEW: State health improvement planning enhancements (3); strengthening information technology systems (4); newborn screening expansion (1); increased access to dental services (1); geographic information system (1); Tobacco Settlement program (7).
General Fund Total	<u>30</u>	
Federal Funds:		
PHHSBG - Administration & Operation (F).....	<u>1</u>	NEW: Oral health promotion (1).
DEPARTMENT TOTAL	<u>31</u>	
<b>HISTORICAL AND MUSEUM COMMISSION</b>		
General Fund:		
General Government Operations.....	<u>5</u>	NEW: Expanded historic site operations (5).



## Summary of 2000-01 Complement Changes

Department / Fund / Appropriation	Increase/ Decrease	Comment on Complement Change
<b>INSURANCE</b>		
General Fund:		
General Government Operations.....	4	NEW: Legal services (1), information technology (1), and adult health insurance administration (2).
Children's Health Insurance Administration.....	2	NEW: Quality assurance monitoring (1), information technology (1).
Adult Health Insurance Administration.....	9	NEW: Adult health insurance program (9).
<b>DEPARTMENT TOTAL</b>	<b>15</b>	
<b>LABOR AND INDUSTRY</b>		
General Fund:		
Occupational & Industrial Safety.....	7	NEW: Increase boiler inspections (5), and building code regulation (2).
Vending Machine Proceeds - Surface Transportation.....	-5	TRANSFERRED: To General Operations in Vocational Rehabilitation Fund (-5).
<b>General Fund Total</b>	<b>2</b>	
Federal Funds:		
JTPA - Administration (F).....	-53	TRANSFERRED: To WIA - Administration (F) (-53).
WIA - Administration (F).....	53	TRANSFERRED: From JTPA - Administration (F) (53).
<b>Federal Funds Total</b>	<b>0</b>	
Vocational Rehabilitation Fund:		
General Operations.....	5	TRANSFERRED: From Vending Machine Proceeds - Surface Transportation (5).
<b>DEPARTMENT TOTAL</b>	<b>7</b>	
<b>MILITARY AND VETERANS AFFAIRS</b>		
General Fund:		
Scotland School for Veterans Children.....	2	NEW: Houseparents (2).
General Government Operations.....	2	NEW: Information technology (1), and veterans homes management (1).
<b>General Fund Total</b>	<b>4</b>	
Federal Funds:		
Employee Support (F).....	10	NEW: Armory and National Guard support (10).
Ft. Indiantown Gap Base Realignment (F).....	5	NEW: Transition to State facility (5).
<b>Federal Funds Total</b>	<b>15</b>	
<b>DEPARTMENT TOTAL</b>	<b>19</b>	
<b>PROBATION AND PAROLE BOARD</b>		
General Fund:		
General Government Operations.....	10	NEW: Fatherhood (6), SCI-Pine Grove (4).
Sexual Offenders Assessment Board.....	2	NEW: Increase in court orders (2)
<b>DEPARTMENT TOTAL</b>	<b>12</b>	
<b>PUBLIC WELFARE</b>		
General Fund:		
County Administration - Statewide.....	48	NEW: PRR-Expanding Home and Community-Based Opportunities for Persons with Disabilities (5); Long-Term Care case mix and durable medical equipment review (8); enhanced fraud and abuse activities (6); mandatory managed care expansion (6); Medical Assistance fee enhancements (2); and Medical Assistance automated systems enhancements (2). TRANSFERRED: From Child Support Enforcement (50); from New Directions (1); from County Assistance Offices (17); and to General Government Operations (-49).



## Summary of 2000-01 Complement Changes

Department / Fund / Appropriation	Increase/ Decrease	Comment on Complement Change
<b>PUBLIC WELFARE (continued)</b>		
General Fund (continued):		
Child Support Enforcement.....	-55	TRANSFERRED: To General Government Operations (-5); to County Administration-Statewide (-50).
New Directions.....	-1	TRANSFERRED: To County Administration-Statewide (-1).
Mental Health Services (Hospitals).....	-676	TRANSFERRED: To General Government Operations (-89); from Youth Development Institutions (28). ELIMINATED: 2000-01 rebudget will be 6,051. Anticipate 6/30/01 complement will be 5,721 for a total reduction of 676.
State Centers for Mentally Retarded.....	-1,087	TRANSFERRED: To General Government Operations (-36). ELIMINATED: 2000-01 rebudget will be 4,620. Anticipate 6/30/01 complement will be 3,963 for a total reduction of 1,087.
Information Systems.....	-7	TRANSFERRED: To General Government Operations (-7).
Youth Development Institutions and Forestry Camps.....	-28	TRANSFERRED: To Mental Health Services (-28).
General Government Operations.....	244	NEW: PRR-Expanding Home and Community-Based Opportunities for Persons with Disabilities (2); Human service licensing improvements (5); expanded family day care facility inspections (8); enhanced child welfare oversight (30); enhanced social program oversight (6); and expanded oversight of community behavioral health (7). TRANSFERRED: From Mental Health Services (89); from State Centers (36); from Child Support enforcement (5); from Information Systems (7); and from County Administration-Statewide (49).
County Assistance Offices.....	-17	TRANSFERRED: To County Administration-Statewide (-17).
<b>DEPARTMENT TOTAL</b>	<b>-1,579</b>	
<b>SECURITIES COMMISSION</b>		
General Fund:		
General Government Operations.....	1	NEW: Enforcement and litigation (1).
<b>STATE</b>		
General Fund:		
Professional & Occupational Affairs (R).....	1	NEW: Case management (1).
General Government Operations.....	1	NEW: Employee training (1).
<b>DEPARTMENT TOTAL</b>	<b>2</b>	
<b>STATE POLICE</b>		
General Fund:		
General Government Operations.....	19	NEW: Forensic laboratory (19).
State Stores Fund:		
Liquor Control Enforcement.....	5	NEW: Reduce caseload backlog (5).
<b>DEPARTMENT TOTAL</b>	<b>24</b>	
<b>TRANSPORTATION</b>		
General Fund:		
Transit and Rail Freight Operations.....	1	TRANSFERRED: From Highway and Safety Improvements (1).
Motor License Fund:		
Highway and Safety Improvements.....	-1	TRANSFERRED: To Transit and Rail Freight Operations (-1).
<b>DEPARTMENT TOTAL</b>	<b>0</b>	
<b>GRAND TOTAL</b>	<b>-979</b>	





Governor's Executive Budget

*STATISTICAL*  
*DATA*



---

# STATISTICAL DATA

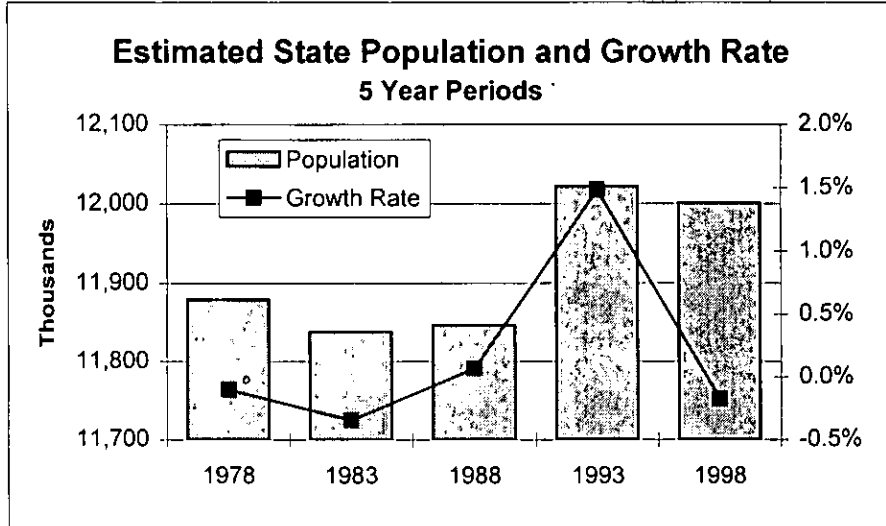
This section contains historical data for various Pennsylvania economic indicators. Data is obtained from published sources noted on each page.



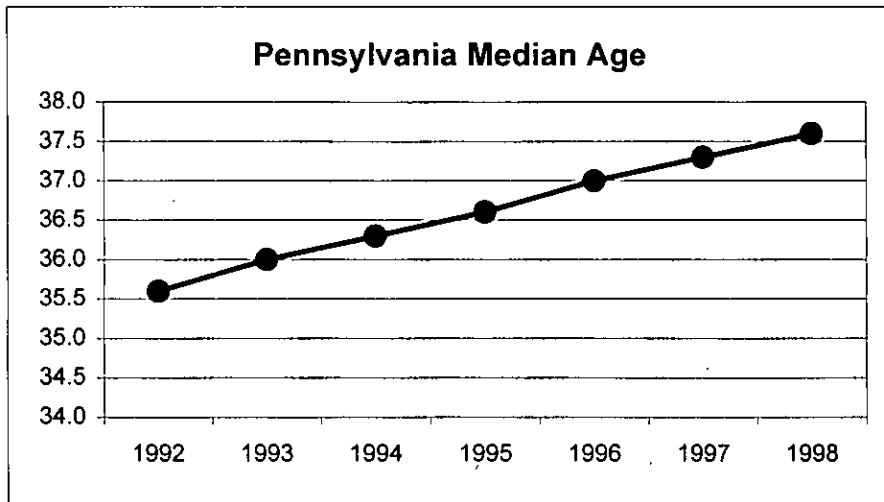


### State Population Trends

The following charts and tables present trend information on Pennsylvania's population. The population estimate and growth rate for 5 year periods beginning in 1978 is given in the top chart and table. The bottom chart and table provides the trend for the median age of the Pennsylvania population beginning in 1992. Data is from the U.S. Census Bureau.



Calendar Year	Population Estimate (thousands)	5 Year Growth Rate
1978	11,879	-0.1%
1983	11,838	-0.3%
1988	11,846	0.1%
1993	12,022	1.5%
1998	12,001	-0.2%

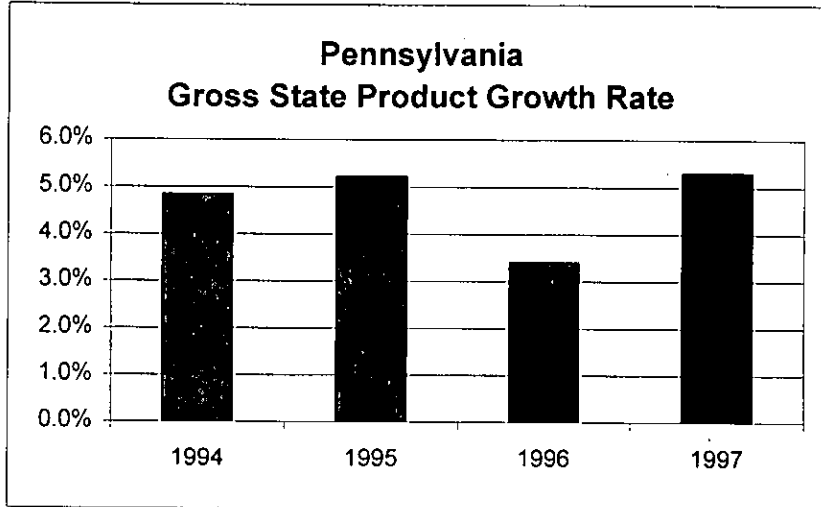


Calendar Year	Median Age
1992	35.6
1993	36.0
1994	36.3
1995	36.6
1996	37.0
1997	37.3
1998	37.6

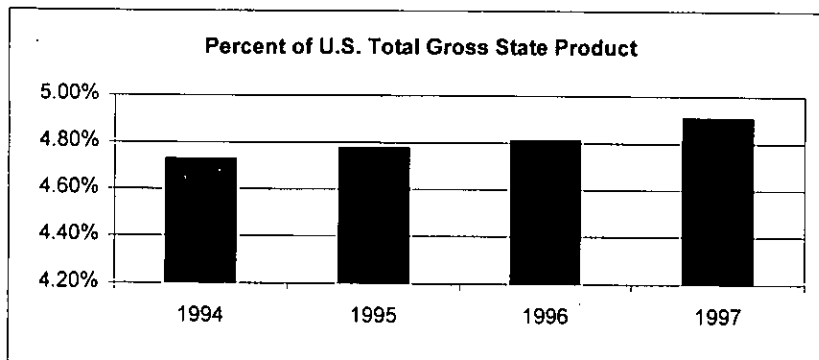


### Gross State Product Trends

The following charts and tables present trend information on Pennsylvania's gross state product, the state counterpart of the nation's gross domestic product. Annual estimates of gross state product and its annual growth rate is presented in the top chart and table. Data is available only through 1997. The bottom chart and table shows Pennsylvania's gross state product as a percent of the U.S. total. All data is from the U.S. Bureau of Economic Analysis.



Calendar Year	Gross State Product (millions)	Growth Rate
1994	\$296,781	4.8%
1995	312,252	5.2%
1996	322,845	3.4%
1997	339,940	5.3%
1998	N/A	N/A



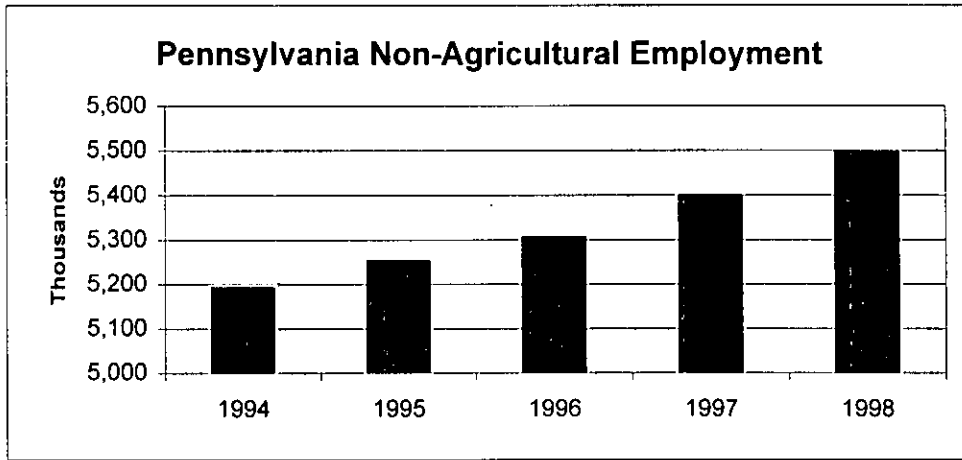
Calendar Year	Percent of U.S. Total
1994	4.73%
1995	4.78%
1996	4.81%
1997	4.91%
1998	N/A

N/A - Not Available

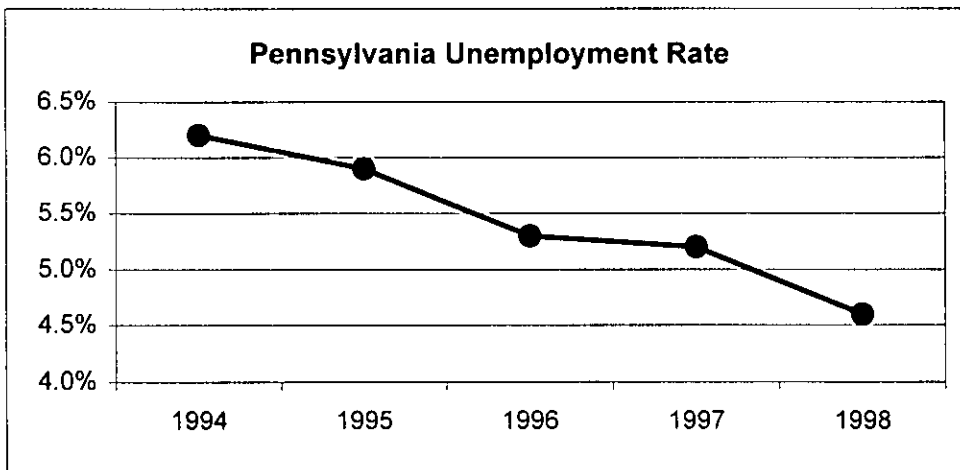


### State Employment Trends

The following charts and tables present trend information on Pennsylvania's non-agricultural jobs and its unemployment rate. Annual average non-agricultural job data is presented in the top chart and table. The bottom chart and table provides data on the average annual unemployment rate. Data is from the U.S. Bureau of Labor Statistics.



Calendar Year	Non-Agricultural Employment (thousands)	Growth Rate
1994	5,192	1.3%
1995	5,253	1.2%
1996	5,306	1.0%
1997	5,398	1.7%
1998	5,497	1.8%

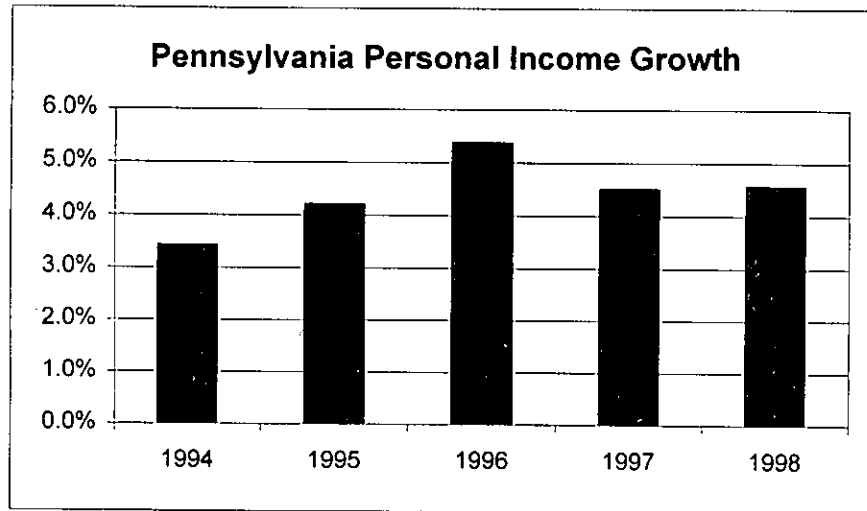


Calendar Year	Unemployment Rate
1994	6.2%
1995	5.9%
1996	5.3%
1997	5.2%
1998	4.6%

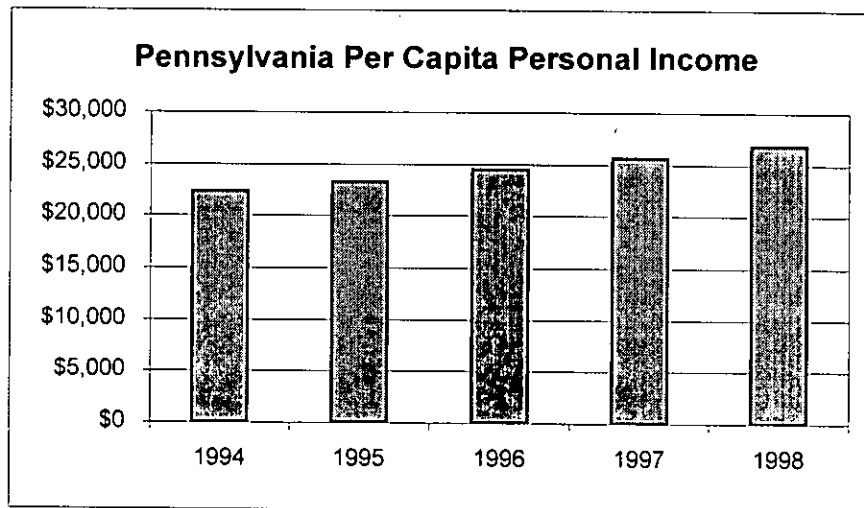


### State Personal Income Trends

The following charts and tables present trend information on Pennsylvania's personal income and per capita income. Annual personal income and its annual growth rate is presented in the top chart and table. The bottom chart and table provides the trend for Pennsylvania per capita personal income. Data is from the U.S. Bureau of Economic Analysis.



Calendar Year	Personal Income (millions)	Growth Rate
1994	\$269,002	3.4%
1995	280,305	4.2%
1996	295,349	5.4%
1997	308,640	4.5%
1998	322,706	4.6%



Calendar Year	Per Capita Personal Income
1994	\$22,336
1995	23,270
1996	24,530
1997	25,678
1998	26,889





COMMONWEALTH OF PENNSYLVANIA

[www.state.pa.us](http://www.state.pa.us)

TOM RIDGE  
GOVERNOR