

Commonwealth of Pennsylvania

2001-02

Governor's Executive Budget



Tom Ridge, Governor



COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE GOVERNOR
HARRISBURG

THE GOVERNOR

February 6, 2001

To the People of Pennsylvania:

Pursuant to Article VIII Section 12 of the Constitution of Pennsylvania, and Section 613 of the Administrative Code of 1929 (71 P.S. Section 233), I am transmitting to your representatives in the General Assembly my proposed budget for Fiscal Year 2001-02.

Six years ago, I asked the General Assembly to help me make Pennsylvania “a leader among states and a competitor among nations.”

We have achieved what we set out to do.

Pennsylvania families and employers have saved nearly \$15 billion through tax cuts, workers’ compensation reform, electric competition and reduced red tape — helping to create more than 350,000 new jobs. We are the first state to enable consumers to shop competitively for both electricity and natural gas. Our tax-free Keystone Opportunity Zones were named the No. 1 state economic-development strategy in the nation.

We now have an Education Empowerment Act to help more than a quarter-million kids in our lowest-performing schools. And we have made historic investments in reading through our landmark, four-year, \$100 million “Read-to-Succeed” program, and record new investments in our public libraries.

Our nationally acclaimed Land Recycling Program has cleaned up more than 700 industrial sites — 20,000 people now work on these formerly abandoned sites. Our “Growing Greener” initiative is PA’s largest environmental investment ever — nearly \$650 million over five years; and “Growing Smarter” gives communities new land-use tools to control sprawl while still respecting private property rights.

More than 100,000 Pennsylvania children now get free or low-cost health care through the Children’s Health Insurance Program — a 145 percent increase since 1995. Pennsylvania’s welfare rolls are at their lowest point in three decades. And juvenile crime is down sharply — thanks in large part to the dozens of new laws passed during our Special Session on Crime.

We could fill many pages talking about what we accomplished by working together over the last six years. Truly, Pennsylvania is now a leader among states and a competitor among nations.

Now, I believe our challenge is to reach for greatness. We can become not just a leader, but the leader — not just a competitor, but the standard. This budget charts a course to take us there.

We will make record new investments and first-in-the-nation innovations to help our kids. We will cut taxes for the seventh straight year; help more hardworking families through our expanded Working Family Tax Cut; continue to eliminate the Capital Stock and Franchise Tax; build on last year’s phenomenal success with an expanded “Tax-Free PC Plus” computer sales-tax holiday; and create new Education Tax Credits.

We will reverse Pennsylvania’s decades-long “brain drain” through our exciting new \$10 million “Brain Gain” initiative. We will earmark \$100 million for our historic infrastructure — the “Pennsylvania Trail of History.” And we will continue to protect the environment.

With each of these steps, we will help Pennsylvanians enjoy an even better, world-class quality of life. In short, we will reach for greatness.

Very truly yours,


Tom Ridge

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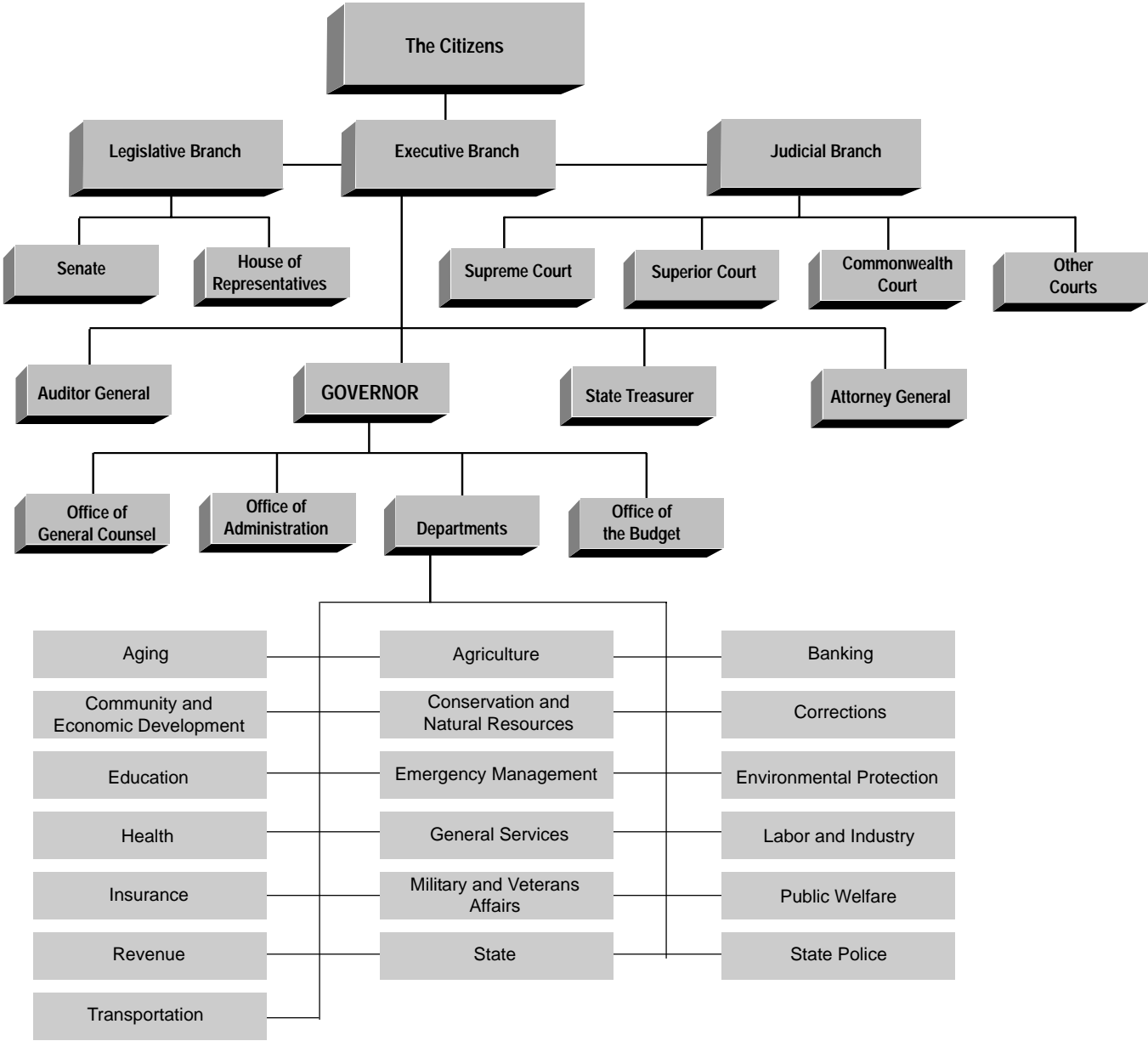
READER'S GUIDE

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

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

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

**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.

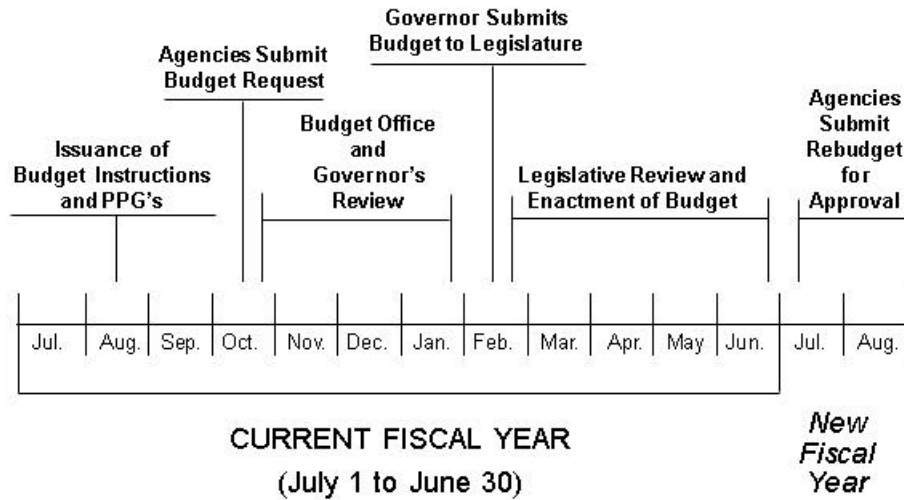
During December, the Governor meets with Legislative leaders to apprise them of anticipated spending and revenue levels and to discuss major fiscal issues expected to be addressed in the upcoming budget.

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 annual General Appropriation Bill and individual appropriation bills. The General Appropriation Bill contains appropriations for the executive, legislative and judicial departments, public schools and for public debt. All other appropriations are made individually by separate special bills.

BUDGET CYCLE IN PENNSYLVANIA



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

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

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

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

EXECUTION

The 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 2001-02 are identified as departmental Program Revision Requests (PRRs) which provide explanations and justification for the change.

Beyond 2001-02, the projections of financial data, as well as impacts and other program measures, show the future implications of the 2001-02 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 2001-02 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



al and Museum Commission

nd Appropriation

(Dollar Amounts in Thousands)

1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
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.....	\$ 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>
.....	\$ 450	\$ 444	\$ 0
.....	\$ 944	\$ 1,000	\$ 1,000
.....	\$ 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>
.....	\$ 9,744	\$ 4,555	\$ 4,646
.....	<u>\$ 930</u>	<u>\$ 80</u>	<u>\$ 80</u>
.....	\$ 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 and 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 2001-02 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, June 30, 1997 and 2) revised approach to managing maintenance

Program Recommendations:

\$ 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.	This budget
230	—to continue current program.	
\$ 1,230	Appropriation Increase	

Appropriations within this Program:

	1999-00 Actual	2000-01 Available
GENERAL FUND:		
General Government Operations	\$ 15,354	\$ 16,794
Records and Management Information	450	4444
Maintenance Program	944	1,000
TOTAL GENERAL FUND	\$ 16,748	\$ 18,238



Historical and Museum Commission

Identifies the agency being presented.

and 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 Description

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

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.

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

Narrative — Describes program services and activities.

2000	2,000	2,000	2,000	2,000	2,000
2006	50	50	50	50	50

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

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

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

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

(Dollar Amounts in Thousands)

	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 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
\$	19,891	\$ 20,936	\$ 21,302	\$ 21,671	\$ 22,055

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, Workmen's Compensation Administration, Emergency Medical Services Operating, Energy Conservation and Assistance, Hazardous Materials Response and Ben Franklin/IRC Partnership. Budgets are also statutory adopted for the administration of the State Employees' Retirement and Public Employees' Retirement Funds.

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.

Financial statements of the Commonwealth prepared under GAAP differ from those traditionally prepared on a budgetary basis for several reasons. Among other differences, the GAAP statements (i) generally recognize revenues when they become measurable and available rather than when cash is received, (ii) report expenditures when goods and services are received and a liability incurred rather than when cash is disbursed, (iii) include a combined balance sheet for the Commonwealth presented by GAAP fund type rather than by Commonwealth funds, and (iv) include activities of all funds in the reporting entity, including agencies and authorities usually considered as independent of the Commonwealth for budgetary and financial reporting purposes. Budgetary basis revenues and expenditures required to conform to GAAP accounting generally require including (i) corporation tax accruals and audit adjustments for other accrued taxes, (ii) tax refunds payable and tax credits, and (iii) expenses not covered by appropriations.

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 Constitution of Pennsylvania requires the Governor to submit a balanced budget and prohibits the General Assembly from appropriating monies in excess of actual and estimated revenues and surplus.

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

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 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, 2000 to Sept. 30, 2001 would be FFY 2001.

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

Fiscal Year: A twelve-month period beginning July 1 and ending June 30 of the following calendar year which is used as the State's accounting and appropriation period. Referred to by the year in which the fiscal year begins, for example, July 1, 2001 to June 30, 2002 would be 2001.

- **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** – *For State funds, includes 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 Constitution of Pennsylvania empowers the Governor to disapprove part or all of any item or items of any bill making appropriations of money. The part or parts of the bill approved become law and the item or items disapproved become void. This power is known as the item veto.

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

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

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

Objective: A statement of program purposes in terms of desired accomplishments measured by 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 are: 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
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
MAGLOCLEN	Middle Atlantic Great Lakes Organized Crime Law Enforcement Network
MCH	Maternal and Child Health
MCHSBG	Maternal and Child Health Services Block Grant
MH/MR	Mental Health/Mental Retardation Services
MHSBG	Mental Health Services Block Grant
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

OVERVIEW

Six years ago, Governor Ridge challenged both government and citizens to restore Pennsylvania's leadership role in the nation and the world. Simply stated, we would need to work together to become a leader among states and competitor among nations, while providing 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 competitor among nations, while providing an enhanced quality of life for Pennsylvania's families and communities.

GOAL: STRENGTHENING OUR 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: REINVENTING GOVERNMENT

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

GOAL: CREATING ECONOMIC OPPORTUNITY

To create a "**job-friendly**" and "**entrepreneur-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 the new "knowledge-based economy".

GOAL: PROTECTING OUR HOMES AND COMMUNITIES

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

GOAL: BUILDING AN 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 Pennsylvania's natural and human resources.

GOAL: ESTABLISHING 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 the global marketplace.

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 six 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 six 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 2001-02, the balance in the Rainy Day Fund will increase by over \$1.2 billion from \$66.3 million to nearly \$1.3 billion.

Over the past six 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 *2001-02 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 2001-02 Governor's Executive Budget. The reader is also referred to the 2001-02 *Budget in Brief*, a separate booklet, for summary information on the Governor's Executive Budget, including recommended tax reduction 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 2000-01 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. Economic forecast scenarios available from WEFA other than the baseline forecast are described by WEFA as low-growth, high-growth, and recession.

Recent Trends

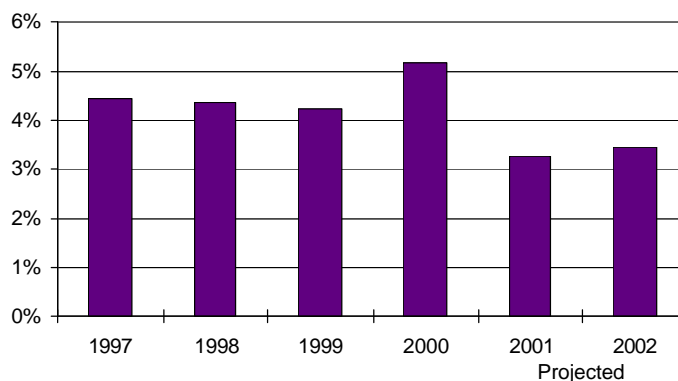
An economy that has produced the longest U.S. economic expansion and an astounding performance of high growth and low inflation for the three years ending in 1999, now is slowing decidedly. For calendar year 2000, gross domestic product adjusted for inflation expanded at the remarkable annual rate of 6.1 percent through the second quarter. Monetary policy, directed by the Federal Reserve Board through six interest rate increases, has sought to slow the rapid growth and avoid rising inflation. Chart 1 displays recent actual annual growth rates for inflation adjusted gross domestic product. Historically, the levels of growth achieved during the years through 1999 are exceptional for a period late in the typical economic recovery cycle. The almost universal expectation for slower economic growth frequently anticipated throughout this period of strong growth, appeared quickly in the second half of 2000. The most recent estimate for growth during the third quarter of calendar year 2000 was 2.4 percent, a reduction of more than half from growth during the first six months of the year. Compared to growth in the most recent years, this represents a swift and dramatic slowing by the national economy.

Most recent economic indicators portray an economy that continues to slow. Besides the actions taken by the Federal Reserve Board to restrain economic growth, a jump in energy prices, especially oil and natural gas in response to high demand and tightened supply, has siphoned spending power from consumer's pockets, raised business production costs, and contributed to a softening of consumer confidence. Also, at the same time, the stock market began to experience declining equity prices. No longer are wealth and incomes growing by means of a rise in stock market prices. Once stock prices stopped rising and began to trend downward, consumers and businesses reacted by cutting back their spending. At the same time, banks and the bond market have become more selective in who is able to borrow capital.

The U.S. economy has entered a transition period toward slower economic growth, likely ending a highly unusual time of strong economic growth, low inflation and overall good times. How this transition proceeds is a significant unknown for the next several

quarters. As a result, forecasts for a wide range of economic outlooks have been promoted by various organizations, from those where the economy takes a short respite from growth, to forecasts that include a severe recession.

Chart 1
REAL GROSS DOMESTIC PRODUCT
Annual Growth



Forecast Outlook

The U.S. economy for the balance of the 2000-01 fiscal year is expected to maintain real growth at an annualized rate of 3.4 percent. The slowing in the economy that has occurred during the second half of 2000 is not expected to result in a recession. The economy's shift to a lower rate of growth has appeared so dramatic, in part, because it has followed an exceptionally long period of continuous economic gains capped by four consecutive strong years with low inflation. Chart 1 displays the actual and forecast annual growth rate for real GDP for the years 1997 through 2002.

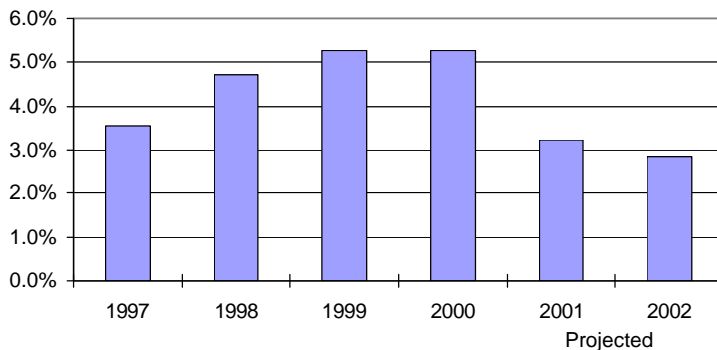
Baseline Forecast

The WEFA baseline forecast anticipates that consumers and business will be spending less freely than they have in recent years. Table 1 presents actual and WEFA forecast data for several national economic indicators. Large investments by consumers such as for housing and spending on motor vehicles have been trimmed during the second half of 2000. Business spending on capital goods will also be slower as lower sales volume and rising inventory trims profit and its growth. Business capital spending will also be restrained by more stringent lending standards by banks and a volatile and weak stock market that will impact the ability of business to raise new equity capital.

Indicator	1999	2000p	2001p	2002p
Nominal GDP	5.8	7.4	5.4	5.0
Real GDP	4.2	5.2	3.2	3.5
Real Personal Consumption	5.3	5.3	3.2	2.9
Corporate Profits (After Tax)	10.4	13.9	0.9	4.3
Unemployment Rate (Rate)	4.2	4.1	4.4	4.5
CPI	2.2	3.4	2.7	2.5
Federal Funds (Rate)	5.0	6.2	6.5	6.4

p=projected

Chart 2
PERSONAL CONSUMPTION EXPENDITURES
Annual Average Growth



The perils of the stock market are also expected to affect consumer spending. With the stock market, as measured by the Wilshire 5000 Index, down 20 percent since September 2000, the stimulus to consumer spending that was provided by its prior rise has likely been played out. The recent downward spike in consumer confidence is likely a response, in part, to the stock market's change in direction. Chart 2 displays the sharp reduction expected for

consumer spending on consumption items over the next two years. From recent year's levels of 5.3 percent annual increases, spending is expected to achieve annual growth in the area of three percent. One large component of this decline will come from sales of motor vehicles. Sales of automobiles and light trucks in 2001 are projected to decline by almost 10 percent from sales in 2000. Despite these lowered expectations for consumer and business spending, the pace of economic activity forecast, from the perspective of usual rates experienced over a full economic cycle, can be considered modest and reasonable.

Relative weakness in consumer and business spending is expected to ease some of the tightness in the labor markets. The number of weekly hours worked has declined recently and will cause employment growth to slow. Slower hiring will push unemployment compensation claims higher and force an increase in the unemployment rate. Those trends will filter through the economy and hold down income growth. The consequence of this loss of income could be a further slowdown for consumer spending.

Fortunately, the Federal Reserve Board and the Federal Government have a deep capacity to prevent the current economic slowdown from turning into a recession. The Federal Reserve Board has already reversed one-half percentage point of their previous interest rate increases. The persistent lack of significant inflation provides the Board with considerable maneuvering room in which to make additional interest rate cuts. Action to further stimulate the economy in the coming months is highly likely. Additionally, the current Federal Government surplus provides considerable available fuel for fiscal stimulus to the economy through tax cuts.

Pennsylvania Outlook

The softening in the national economy has ended the recent period of growth in the number of jobs in Pennsylvania. Since March 2000, the number of non-agricultural jobs has retreated from its record level of that month. Softness in the retail trade, construction and manufacturing industries in the State are largely responsible for lack of current employment growth. The strongest areas of the Commonwealth's economy are in the financial services, business services and transportation industries. The Commonwealth's unemployment rate, however, has remained low and remains very close to the national rate.

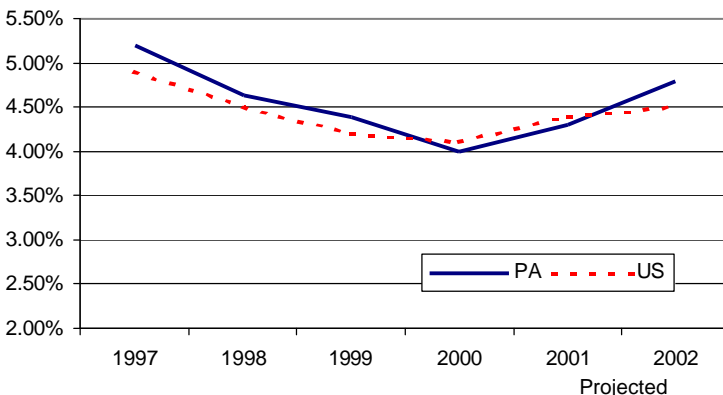
Over the long-term, service oriented industries will be the major source of new jobs. Increasingly, Pennsylvania is becoming a service-producing economy, shifting from its previous dependence on manufacturing for employment and growth. High technology industries are also expected to contribute significantly 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 95 percent of Pennsylvania's employment growth is associated with U.S. employment changes.

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 lower energy rates that,

together with recent State business tax cuts, bring Pennsylvania's business costs close to average. Due to fundamental differences in its approach to the deregulation of the electric utility industry, Pennsylvania does not expect to experience electric power supply shortages as have recently occurred in California. An improved competitive position for new and retained jobs will be created by these efforts.

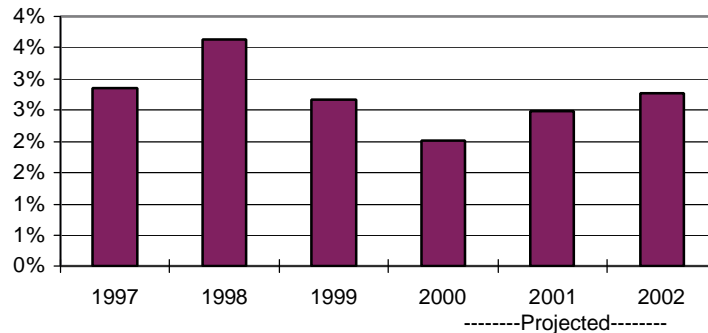
Chart 3
PA AND US UNEMPLOYMENT RATE



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 2002. While the near-term outlook for Pennsylvania and the U.S. is for continued, though slower, economic growth, this projection shows a modest rise in the unemployment rate both in the nation and in Pennsylvania. The projection for

Pennsylvania's unemployment rate to be below that of the nation in 2000 and 2001 is more the effect on the rate of expected slow growth in the Commonwealth's labor force than a larger expansion of employment compared to the nation. 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 forecast personal income annual growth for Pennsylvania the years 1997 through 2002.

Chart 4
PA REAL PERSONAL INCOME
Annual Percent Growth



SUMMARY OF MAJOR OPERATING FUNDS

The total 2001-02 operating budget for the Commonwealth is \$42.6 billion. It includes \$20.8 billion in the General Fund, \$2 billion in the Motor License Fund, \$12.8 billion in Federal funds and \$5.3 billion in fees and other special funds revenues.

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

General Fund

Revenue

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

Tax revenue in the General Fund constitutes over 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 on invested fund balances. Another important source of non-tax revenue is the statutory transfer of amounts from special funds of the Commonwealth. The largest of these is the transfer from the State (Liquor) Stores Fund.

Recent Revenue Trends: For the five fiscal years ending with 1999-00, total General Fund revenue grew by 24.0 percent, an annual rate of 5.5 percent. The rate of growth for revenue during the period understates the actual 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, the sales and use tax, and the capital stock and franchise tax. All had five-year increases of over 20 percent. Revenue from several tax sources declined over the period. Receipts from the public utility realty tax, the gross receipts tax 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

in Pennsylvania. Non-tax revenue sources during this period increased by over 22.9 percent, slightly smaller than the 24.0 percent increase in tax revenue. Miscellaneous receipts, led by interest earnings on General Fund investments, rose 22.0 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 four completed fiscal years have averaged 7.1 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 \$202.4 million, raising the anticipated growth rate for the fiscal year to 7.0 percent from a 1.9 percent growth projected at the time of the adoption of the budget. For 2001-02 the personal income tax growth is anticipated to rise 4.8 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 high of 7.9 percent in 1994-95 to a low of 1.9 percent in 1997-98. 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 2000-01 through December, sales and use tax receipts are slightly below estimate. Sales tax receipts from motor vehicle sales transactions are 1.9 percent over-estimate while receipts from non-motor vehicle sales transactions are 1.1 percent below their estimates. Anticipating smaller tax receipts than anticipated due to a slowing of consumer and business spending in the remaining portion of the fiscal year, the estimate for sales tax receipts has been lowered from 4.4 percent growth to 3.4 percent. For 2001-02, the expectation for modest gains in consumption spending is estimated to produce a growth rate of 3.7 percent. Estimates for the sales and use tax are developed from a regression equation that uses 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 1999-00 receipts from the corporate net income tax to exceed the amount of receipts in 1992-93, despite enacted reductions 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 2000-01 are projected to increase by 0.4 percent over receipts in the prior fiscal year. Current fiscal year-to-date receipts are below the official estimate by 16.7 percent. Most of this shortfall in receipts occurred in the month of December. The estimate for 2000-01 has been raised by \$80.1 million. Receipts for 2001-02 are estimated to increase minimally by 0.6 percent. Expected softness in corporate profits is anticipated to restrain 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.

Proposed Tax Reductions: The Governor's proposed 2001-02 budget includes tax reductions totaling \$44.6 million for the fiscal year. The components of the proposed tax changes are:

- **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 \$7,500 to \$8,500, effective January 1, 2001. A qualifying family of four with two claimants and two dependents will owe no tax on taxable income up to \$30,000. The estimated 2001-02 cost is \$17.8 million.
- **Personal Computer Plus Sales Tax Holiday** – The 2000-01 sales tax holiday for qualifying purchases of personal computers and connected equipment is proposed to be continued and expanded to include personal computer peripherals purchased separately from a personal computer and for internet access devices. Purchases by individuals for non-

business use will be exempt from the sales and use tax if purchased during the designated time periods. The estimated 2001-02 cost is \$10.7 million.

- **Repeal of Nuisance Taxes** – Three minor taxes whose revenues constitute less than one-one hundredths of a percent of General Fund revenue are proposed to be repealed. A \$0.50 tax on the issuance of a marriage license and the writ tax imposed on documents filed with a county will be repealed effective July 1, 2001. The 1 percent gross receipts tax levied on private bankers is proposed to be repealed effective January 1, 2001. The total estimated 2001-02 cost is \$1.6 million for all three taxes.
- **Increase Job Creation Tax Credits** – The total amount of tax credits that may be awarded in a fiscal year will be increased by \$2.5 million to \$22.5 million.
- **Education Tax Credits** – Business firms making qualified donations for qualified educational purposes may apply to receive tax credits under the Neighborhood Assistance Tax Credit Program. An annual cap on the amount of such credits to be awarded is \$15 million. The total annual cap on neighborhood assistance tax credits is proposed to be increased by \$12 million to \$30 million, effective July 1, 2001.

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 2001-02 is \$20.8 billion, an increase of \$793 million or 4 percent. Major program expenditures occur in the area of State correctional institutions, economic development, education, and public health and welfare.

State Correctional Institutions: The 2001-02 budget recommends \$1.2 billion, a 4.2 percent increase for the State correctional institutions. This area has shown a constant upward trend in cost in recent years. From 1994-95 to 2001-02, total costs have grown from \$721 million to \$1.2 billion, an increase of 66 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 36,999 inmates in 2001-02, an increase of 8,697 or 31 percent in seven 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, employee retirement programs including social security and various special education programs.

The largest such subsidy is the Basic Education Funding subsidy, which provides 59 percent of all Commonwealth aid to local schools in 2000-01. The Governor's 2001-02 Executive Budget proposes over \$3.9 billion for Basic Education Funding. This is an increase of \$151.7 million or 4 percent.

The proposed budget for 2001-02, detailed in the Department of Education presentation in Section E, includes over \$6.4 billion in direct support of public schools, an increase of 3.7 percent.

Higher Education: Higher education in Pennsylvania is provided through 239 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. The recommended budget for 2001-02 proposes nearly \$1.9 billion for higher education, including \$8.2 million for the third year of the SciTech and Technology Scholarships Grant Program.

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 2000-01, the total public health and human services expenditures from all sources is \$17.8 billion. For 2001-02, \$18.5

billion has been proposed for these programs, an increase of 4.0 percent. In 2001-02, the amount from the General Fund will be \$7.1 billion which is an increase of \$240 million or 3.5 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 1989-90 through 1999-00 by an annual average rate of 22.1 percent. The rate of growth from 1994-95 to 2001-02 is only 8.2 percent. The 2000-01 General Fund amount available is \$ 3.36 billion and the 2001-02 budget proposes appropriations totaling \$3.38 billion. The increase for 2001-02 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 \$ 1.91 billion from all sources for 2000-01. The 2001-02 budget proposes a total budget of \$ 1.95 billion. The Commonwealth's General Fund appropriation is reduced from \$ 826 million to \$ 802 million. The budget provides a total of \$393 million for child care services. This represents an increase of 100 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 215 percent.

The 2001-02 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 2001, that will be reduced to 5,583, a reduction of 45 percent. Over that period, the community budgets will have grown by \$ 828 million in total funds, an increase of 47.6 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 Constitution of Pennsylvania to be used only for costs of construction, reconstruction, maintenance and repair of and safety on highways and bridges in the Commonwealth and for the payment of debt service on obligations incurred for such purposes. The major sources of revenue to the Motor License Fund are from motor fuels taxes, vehicle registration fees, license 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 will provide approximately 54 percent of total Motor License Fund revenues in 2000-01. Revenue from liquid fuels taxes has increased only slightly over the past three fiscal years. For the three-year period ending with 1999-00, liquid fuels tax revenues increased at an annual average of 1.5 percent. The budget for 2001-02 projects a 0.9 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 1999-00, license and fee revenues increased at an annual average of 7.2 percent. This large increase is due to increased registration fees for various vehicles effective in 1997 and 1998. For 2001-02, a 0.3 percent increase is projected.

For the fourth year in a row, the budget for 2001-02 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 continues to be 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 addresses 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 2000-01, this fund will receive \$100 million from the General Fund. It is the intent of Act 68 that this fund receives an annual appropriation of \$100 million from the General Fund for the next three fiscal years. In addition, the intent of Act 68 is that the fund receives 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 began in 1999-00. For additional details, please see the Environmental Stewardship Fund in Section C.

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 assistance in the purchase 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, retail points of sale will be increased 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 41.9 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 2001-02, \$359 million will provide pharmaceutical assistance to 232,500 older Pennsylvanians. This is a \$142 million (65.4 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 2001-02, \$203 million is provided for the PENNCARE Program. This is a \$44.9 million (28.4 percent) increase compared to 1994-95. Combined, these programs account for approximately 68 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 \$12 billion, with annual payments ranging between \$322 million and \$589 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, biotechnology research centers 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.

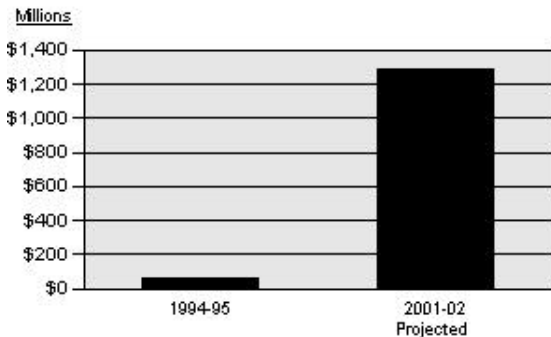
For more information on the Master Settlement Agreement and the Governor's proposed program, see the separate presentation in this section entitled Health Investment Plan.

Rainy Day Fund

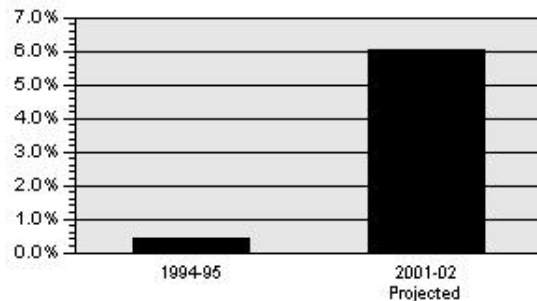
The Tax Stabilization Reserve Fund, commonly referred to as the Rainy Day Fund, was created by Act 32 of 1985 to promote greater continuity and predictability in the funding of vital government services. It also minimizes the need to increase taxes to balance the Commonwealth's budget during periods of economic distress. Revenue is provided through an annual transfer of 15 percent of the General Fund's fiscal year ending surplus and other 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 each House of the General Assembly.

The Rainy Day Fund balance is projected to be nearly \$1.3 billion after the 2001-02 transfer is completed. The Rainy Day Fund balance will then represent 6.0 percent of General Fund revenues.

**Rainy Day Fund
Ending Cash Balance**



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



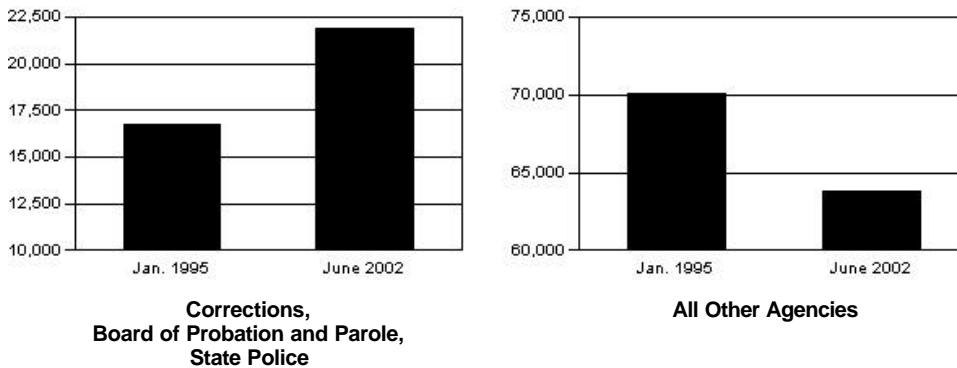
During this Administration, the balance in the Rainy Day Fund has increased nearly twenty-fold and now exceeds the three percent of General Fund revenues goal established in the original legislation in 1985. It also exceeds the five percent reserve that the bond rating agencies have indicated to the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

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.

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 85,717 by June 30, 2002, a decrease of 1,137 positions. This overall decline in FTE salaried complement has been achieved during a period of significant growth in staff for the State correctional institutions, the probation and parole system and the State Police. From January 1995 to June 2002 it is anticipated that the FTE salaried complement for the Department of Corrections will grow from 10,768 to 15,067, an increase of 4,299 or 40 percent, the Board of Probation and Parole will grow from 666 to 1,033, an increase of 367 or 55 percent, and the State Police will grow from 5,336 to 5,792, an increase of 456 or 9 percent. This is the result, in part, of the Governor's priority to strengthen public safety and law enforcement.

Authorized Salaried Complement



This budget proposes a net increase of 225 positions. Excluding new public safety and law enforcement positions necessary for the State correctional institutions, the probation and parole system and the State Police, the complement decreases by 164 positions.



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 1999-00 actual year, 2000-01 available year, 2001-02 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>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>
Beginning Balance ^a	\$ 447,536	\$ 610,536	\$ 312,769
Revenues.....	\$ 20,256,727	\$ 20,680,700	\$ 21,441,300	\$ 22,256,400	\$ 22,977,200	\$ 23,748,100	\$ 24,402,900
Adjustments ^b	-690,684	-1,031,000	-976,640	-1,071,040	-1,153,540	-1,243,340	-1,340,140
Funds Available.....	\$ 20,013,579	\$ 20,260,236	\$ 20,777,429	\$ 21,185,360	\$ 21,823,660	\$ 22,504,760	\$ 23,062,760
Expenditures.....	-19,295,301	-19,892,272	-20,772,314	-21,181,895	-21,816,494	-22,376,284	-23,010,506
Closing Balance.....	\$ 718,278	\$ 367,964	\$ 5,115	\$ 3,465	\$ 7,166	\$ 128,476	\$ 52,254
Less Transfer to Tax Stabilization							
Reserve Fund.....	-107,742	-55,195	-767	-520	-1,075	-19,271	-7,838
Ending Balance ^a	<u>\$ 610,536</u>	<u>\$ 312,769</u>	<u>\$ 4,348</u>	<u>\$ 2,945</u>	<u>\$ 6,091</u>	<u>\$ 109,205</u>	<u>\$ 44,416</u>

^aEnding balance not carried forward after 2001-02.

^bIncludes net revenue accruals, refunds, lapses and adjustments to beginning balances.

Seven Year Financial Statements By Fund

Motor License Fund^a

	(Dollar Amounts in Thousands)						
	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Beginning Balance.....	\$ 89,454	\$ 112,136	\$ 95,220	\$ 7,751	\$ 8,475	\$ 7,566	\$ 6,438
Receipts.....	1,988,170	1,977,740	1,971,980	1,982,450	1,998,000	2,007,430	2,015,620
Funds Available.....	\$ 2,077,624	\$ 2,089,876	\$ 2,067,200	\$ 1,990,201	\$ 2,006,475	\$ 2,014,996	\$ 2,022,058
Less Expenditures.....	-1,965,488	-1,994,656	-2,059,449	-1,981,726	-1,998,909	-2,008,558	-2,015,111
Ending Balance.....	<u>\$ 112,136</u>	<u>\$ 95,220</u>	<u>\$ 7,751</u>	<u>\$ 8,475</u>	<u>\$ 7,566</u>	<u>\$ 6,438</u>	<u>\$ 6,947</u>

Banking Department Fund

	(Dollar Amounts in Thousands)						
	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Beginning Balance.....	\$ 11,466	\$ 15,061	\$ 17,106	\$ 18,049	\$ 21,072	\$ 24,168	\$ 27,333
Receipts.....	12,665	12,583	13,089	13,371	13,650	13,929	14,227
Funds Available.....	\$ 24,131	\$ 27,644	\$ 30,195	\$ 31,420	\$ 34,722	\$ 38,097	\$ 41,560
Less Expenditures.....	-9,070	-10,538	-12,146	-10,348	-10,554	-10,764	-10,979
Ending Balance.....	<u>\$ 15,061</u>	<u>\$ 17,106</u>	<u>\$ 18,049</u>	<u>\$ 21,072</u>	<u>\$ 24,168</u>	<u>\$ 27,333</u>	<u>\$ 30,581</u>

Boat Fund

	(Dollar Amounts in Thousands)						
	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Beginning Balance.....	\$ 7,993	\$ 8,929	\$ 8,156	\$ 6,868	\$ 5,473	\$ 3,970	\$ 2,351
Receipts.....	11,647	9,895	9,972	9,877	9,952	10,021	10,082
Funds Available.....	\$ 19,640	\$ 18,824	\$ 18,128	\$ 16,745	\$ 15,425	\$ 13,991	\$ 12,433
Less Expenditures.....	-10,711	-10,668	-11,260	-11,272	-11,455	-11,640	-11,828
Ending Balance.....	<u>\$ 8,929</u>	<u>\$ 8,156</u>	<u>\$ 6,868</u>	<u>\$ 5,473</u>	<u>\$ 3,970</u>	<u>\$ 2,351</u>	<u>\$ 605</u>

^a Excludes restricted revenue.

Seven Year Financial Statements By Fund

Environmental Stewardship Fund^a

	(Dollar Amounts in Thousands)						
	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Beginning Balance.....	\$ 0	\$ -1,165	\$ 1,853	\$ 0	\$ 0	\$ 0	\$ 0
Receipts.....	84,804	137,000	137,000	137,000	137,000	0	0
Funds Available.....	\$ 84,804	\$ 135,835	\$ 138,853	\$ 137,000	\$ 137,000	\$ 0	\$ 0
Less Expenditures.....	-85,969	-133,982	-138,853	-137,000	-137,000	0	0
Ending Balance.....	<u>\$ -1,165</u>	<u>\$ 1,853</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Farm Products Show Fund

	(Dollar Amounts in Thousands)						
	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Beginning Balance.....	\$ 2,579	\$ 1,951	\$ 1,071	\$ 151	\$ 86	\$ 21	\$ 56
Receipts.....	4,900	4,950	4,940	4,940	4,940	4,940	4,940
Funds Available.....	\$ 7,479	\$ 6,901	\$ 6,011	\$ 5,091	\$ 5,026	\$ 4,961	\$ 4,996
Less Expenditures.....	-5,528	-5,830	-5,860	-5,005	-5,005	-4,905	-4,905
Ending Balance.....	<u>\$ 1,951</u>	<u>\$ 1,071</u>	<u>\$ 151</u>	<u>\$ 86</u>	<u>\$ 21</u>	<u>\$ 56</u>	<u>\$ 91</u>

Fish Fund

	(Dollar Amounts in Thousands)						
	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Beginning Balance.....	\$ 13,632	\$ 14,503	\$ 10,650	\$ 5,421	\$ 915	\$ -3,909	\$ -9,102
Receipts.....	41,602	40,531	40,184	40,055	40,514	40,927	41,318
Funds Available.....	\$ 55,234	\$ 55,034	\$ 50,834	\$ 45,476	\$ 41,429	\$ 37,018	\$ 32,216
Less Expenditures.....	-40,731	-44,384	-45,413	-44,561	-45,338	-46,120	-46,913
Ending Balance.....	<u>\$ 14,503</u>	<u>\$ 10,650</u>	<u>\$ 5,421</u>	<u>\$ 915</u>	<u>\$ -3,909</u>	<u>\$ -9,102</u>	<u>\$ -14,697</u>

^a Excludes restricted revenue.

Seven Year Financial Statements By Fund

Game Fund

	(Dollar Amounts in Thousands)						
	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>
Beginning Balance.....	\$ 20,307	\$ 25,126	\$ 24,188	\$ 24,171	\$ 23,222	\$ 21,323	\$ 18,455
Receipts.....	60,970	56,306	57,833	57,833	57,833	57,833	57,833
Funds Available.....	\$ 81,277	\$ 81,432	\$ 82,021	\$ 82,004	\$ 81,055	\$ 79,156	\$ 76,288
Less Expenditures.....	-56,151	-57,244	-57,850	-58,782	-59,732	-60,701	-61,690
Ending Balance.....	<u>\$ 25,126</u>	<u>\$ 24,188</u>	<u>\$ 24,171</u>	<u>\$ 23,222</u>	<u>\$ 21,323</u>	<u>\$ 18,455</u>	<u>\$ 14,598</u>

Keystone Recreation, Park and Conservation Fund

	(Dollar Amounts in Thousands)						
	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>
Beginning Balance.....	\$ 72,011	\$ 80,754	\$ 47,779	\$ 49,018	\$ 51,030	\$ 53,227	\$ 55,444
Receipts.....	83,119	84,825	52,160	54,485	57,025	59,589	62,089
Funds Available.....	\$ 155,130	\$ 165,579	\$ 99,939	\$ 103,503	\$ 108,055	\$ 112,816	\$ 117,533
Less Expenditures.....	-74,376	-117,800	-50,921	-52,473	-54,828	-57,372	-59,928
Ending Balance.....	<u>\$ 80,754</u>	<u>\$ 47,779</u>	<u>\$ 49,018</u>	<u>\$ 51,030</u>	<u>\$ 53,227</u>	<u>\$ 55,444</u>	<u>\$ 57,605</u>

Lottery Fund

	(Dollar Amounts in Thousands)						
	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>
Beginning Balance.....	\$ 112,828	\$ 200,965	\$ 210,348	\$ 152,420	\$ 38,445	\$ -187,704	\$ -493,117
Add Reserve From Prior Year.....	190,000	190,000	160,000	100,000	28,000	5,000	0
Receipts.....	942,709	925,648	933,019	937,342	938,977	949,085	962,888
Funds Available.....	\$ 1,245,537	\$ 1,316,613	\$ 1,303,367	\$ 1,189,762	\$ 1,005,422	\$ 766,381	\$ 469,771
Less Expenditures.....	-854,572	-946,265	-1,050,947	-1,123,317	-1,188,126	-1,259,498	-1,338,395
Less Reserve for Current Year.....	-190,000	-160,000	-100,000	-28,000	-5,000	0	0
Ending Balance.....	<u>\$ 200,965</u>	<u>\$ 210,348</u>	<u>\$ 152,420</u>	<u>\$ 38,445</u>	<u>\$ -187,704</u>	<u>\$ -493,117</u>	<u>\$ -868,624</u>

Seven Year Financial Statements By Fund

Milk Marketing Fund

	(Dollar Amounts in Thousands)						
	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>
Beginning Balance.....	\$ 1,582	\$ 1,487	\$ 1,344	\$ 1,112	\$ 830	\$ 1,285	\$ 1,688
Receipts.....	2,264	2,289	2,273	2,273	3,061	3,061	3,061
Funds Available.....	\$ 3,846	\$ 3,776	\$ 3,617	\$ 3,385	\$ 3,891	\$ 4,346	\$ 4,749
Less Expenditures.....	-2,359	-2,432	-2,505	-2,555	-2,606	-2,658	-2,711
Ending Balance.....	<u>\$ 1,487</u>	<u>\$ 1,344</u>	<u>\$ 1,112</u>	<u>\$ 830</u>	<u>\$ 1,285</u>	<u>\$ 1,688</u>	<u>\$ 2,038</u>

Racing Fund

	(Dollar Amounts in Thousands)						
	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>
Beginning Balance.....	\$ 10,332	\$ 11,478	\$ 10,169	\$ 12,023	\$ 11,827	\$ 11,626	\$ 11,421
Receipts.....	19,832	19,763	21,826	21,826	21,826	21,826	21,826
Funds Available.....	\$ 30,164	\$ 31,241	\$ 31,995	\$ 33,849	\$ 33,653	\$ 33,452	\$ 33,247
Less Expenditures.....	-18,686	-21,072	-19,972	-22,022	-22,027	-22,031	-22,035
Ending Balance.....	<u>\$ 11,478</u>	<u>\$ 10,169</u>	<u>\$ 12,023</u>	<u>\$ 11,827</u>	<u>\$ 11,626</u>	<u>\$ 11,421</u>	<u>\$ 11,212</u>

Tobacco Settlement Fund

	(Dollar Amounts in Thousands)						
	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>
Beginning Balance.....	\$ 0	\$ 306,178	\$ 322,071	\$ 403,803	\$ 407,798	\$ 358,292	\$ 363,642
Receipts.....	306,178	322,071	403,803	407,798	358,292	363,642	369,074
Funds Available.....	\$ 306,178	\$ 628,249	\$ 725,874	\$ 811,601	\$ 766,090	\$ 721,934	\$ 732,716
Less Expenditures.....	0	-306,178	-322,071	-403,803	-407,798	-358,292	-363,642
Ending Balance.....	<u>\$ 306,178</u>	<u>\$ 322,071</u>	<u>\$ 403,803</u>	<u>\$ 407,798</u>	<u>\$ 358,292</u>	<u>\$ 363,642</u>	<u>\$ 369,074</u>

Overview and Summaries

Seven Year Department Summary by Fund

The following is a summary by department of 1999-00 actual expenditures, the 2000-01 amounts available, the 2001-02 amounts budgeted and future year estimates as presented in the 2001-02 Governor's Executive Budget for the General Fund and selected Special Funds.

	(Dollar Amounts in Thousands)						
	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
Governor's Office							
General Fund.....	\$ 7,441	\$ 7,793	\$ 8,027	\$ 8,188	\$ 8,352	\$ 8,519	\$ 8,689
Executive Offices							
General Fund.....	\$ 180,710	\$ 287,565	\$ 317,134	\$ 277,404	\$ 279,105	\$ 280,813	\$ 245,158
Motor License Fund.....	4,063	4,998	5,445	5,600	5,713	5,827	5,942
Department Total	\$ 184,773	\$ 292,563	\$ 322,579	\$ 283,004	\$ 284,818	\$ 286,640	\$ 251,100
Lieutenant Governor							
General Fund.....	\$ 1,277	\$ 1,377	\$ 1,416	\$ 1,444	\$ 1,473	\$ 1,502	\$ 1,533
Attorney General							
General Fund.....	\$ 70,175	\$ 71,756	\$ 73,611	\$ 75,080	\$ 76,578	\$ 78,107	\$ 79,666
Auditor General							
General Fund.....	\$ 44,422	\$ 46,073	\$ 47,513	\$ 48,454	\$ 49,413	\$ 49,913	\$ 50,912
Treasury							
General Fund.....	\$ 656,169	\$ 413,503	\$ 758,710	\$ 802,268	\$ 839,292	\$ 853,813	\$ 863,597
Lottery Fund.....	18	100	100	100	100	100	100
Racing Fund.....	17	10	10	10	10	10	10
Motor License Fund.....	109,452	93,978	73,870	63,214	53,302	35,529	35,179
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
Department Total	\$ 765,656	\$ 507,626	\$ 832,725	\$ 865,627	\$ 892,739	\$ 889,487	\$ 898,921
Aging							
General Fund.....	\$ 34,116	\$ 36,505	\$ 38,701	\$ 36,952	\$ 37,294	\$ 37,641	\$ 37,996
Lottery Fund.....	446,452	482,684	562,121	628,103	685,428	748,900	819,522
Tobacco Settlement Fund.....	0	10,240	33,166	36,220	52,631	46,875	47,185
Department Total	\$ 480,568	\$ 529,429	\$ 633,988	\$ 701,275	\$ 775,353	\$ 833,416	\$ 904,703
Agriculture							
General Fund.....	\$ 198,810	\$ 81,363	\$ 75,368	\$ 72,576	\$ 73,349	\$ 74,137	\$ 74,942
Racing Fund.....	18,453	20,840	19,734	21,779	21,779	21,778	21,777
Environmental Stewardship Fund.....	0	19,828	20,550	20,276	20,276	0	0
Farm Products Show Fund.....	4,728	5,080	4,855	4,000	4,000	3,900	3,900
Department Total	\$ 221,991	\$ 127,111	\$ 120,507	\$ 118,631	\$ 119,404	\$ 99,815	\$ 100,619
Banking							
Banking Department Fund.....	\$ 8,745	\$ 10,191	\$ 11,801	\$ 9,997	\$ 10,197	\$ 10,401	\$ 10,609
Civil Service Commission							
General Fund.....	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1

Seven Year Department Summary by Fund

	(Dollar Amounts in Thousands)						
	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
Community and Economic Development							
General Fund.....	\$ 430,299	\$ 490,649	\$ 376,359	\$ 378,025	\$ 379,724	\$ 355,061	\$ 356,832
Tobacco Settlement Fund.....	0	101,378	16,951	21,253	0	0	0
Department Total	\$ 430,299	\$ 592,027	\$ 393,310	\$ 399,278	\$ 379,724	\$ 355,061	\$ 356,832
Conservation and Natural Resources							
General Fund.....	\$ 99,755	\$ 115,896	\$ 109,281	\$ 108,673	\$ 110,324	\$ 112,417	\$ 114,551
Environmental Stewardship Fund.....	24,415	32,290	33,464	33,017	33,017	0	0
Motor License Fund.....	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Keystone Recreation, Park and Conservation Fund.....	54,426	89,721	32,973	33,904	35,416	37,067	38,733
Department Total	\$ 179,596	\$ 238,907	\$ 176,718	\$ 176,594	\$ 179,757	\$ 150,484	\$ 154,284
Corrections							
General Fund.....	\$ 1,129,638	\$ 1,175,884	\$ 1,225,010	\$ 1,256,789	\$ 1,302,087	\$ 1,358,421	\$ 1,407,352
Education							
General Fund.....	\$ 7,640,461	\$ 8,051,656	\$ 8,291,559	\$ 8,301,132	\$ 8,297,596	\$ 8,312,990	\$ 8,335,093
Motor License Fund.....	1,178	1,639	1,620	1,620	1,620	1,620	1,620
Keystone Recreation, Park and Conservation Fund.....	10,412	14,613	11,353	11,789	12,329	12,892	13,448
Department Total	\$ 7,652,051	\$ 8,067,908	\$ 8,304,532	\$ 8,314,541	\$ 8,311,545	\$ 8,327,502	\$ 8,350,161
Emergency Management Agency							
General Fund.....	\$ 21,367	\$ 39,401	\$ 12,941	\$ 11,042	\$ 11,261	\$ 11,484	\$ 11,712
Environmental Protection							
General Fund.....	\$ 275,931	\$ 346,649	\$ 348,361	\$ 341,399	\$ 344,619	\$ 248,111	\$ 251,671
Environmental Stewardship Fund.....	37,569	50,110	51,931	51,238	51,238	0	0
Motor License Fund.....	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Department Total	\$ 317,500	\$ 400,759	\$ 404,292	\$ 396,637	\$ 399,857	\$ 252,111	\$ 255,671
Fish and Boat Commission							
General Fund.....	\$ 10	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11
Fish Fund.....	23,500	27,342	27,905	27,428	27,962	28,507	29,062
Boat Fund.....	8,145	8,590	9,094	9,262	9,433	9,608	9,786
Department Total	\$ 31,655	\$ 35,943	\$ 37,010	\$ 36,701	\$ 37,406	\$ 38,126	\$ 38,859
Game Commission							
General Fund.....	\$ 0	\$ 80	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Game Fund.....	47,905	48,971	49,577	50,509	51,459	52,428	53,417
Keystone Recreation, Park and Conservation Fund.....	19	33	0	0	0	0	0
Department Total	\$ 47,924	\$ 49,084	\$ 49,577	\$ 50,509	\$ 51,459	\$ 52,428	\$ 53,417
General Services							
General Fund.....	\$ 204,785	\$ 105,848	\$ 110,092	\$ 112,465	\$ 113,441	\$ 115,886	\$ 117,965
Motor License Fund.....	20,252	20,245	20,240	20,243	20,248	20,253	20,258
Banking Department Fund.....	325	342	340	346	352	358	365
Department Total	\$ 225,362	\$ 126,435	\$ 130,672	\$ 133,054	\$ 134,041	\$ 136,497	\$ 138,588

Seven Year Department Summary by Fund

	(Dollar Amounts in Thousands)						
	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
Health							
General Fund.....	\$ 220,924	\$ 239,710	\$ 244,268	\$ 243,774	\$ 245,118	\$ 245,977	\$ 247,581
Tobacco Settlement Fund.....	0	56,889	84,756	106,263	107,314	94,288	95,696
Department Total	\$ 220,924	\$ 296,599	\$ 329,024	\$ 350,037	\$ 352,432	\$ 340,265	\$ 343,277
Higher Education Assistance Agency							
General Fund.....	\$ 353,218	\$ 385,981	\$ 402,975	\$ 411,309	\$ 411,309	\$ 411,309	\$ 411,309
Historical and Museum Commission							
General Fund.....	\$ 28,243	\$ 32,928	\$ 33,021	\$ 33,565	\$ 34,097	\$ 34,639	\$ 35,191
Keystone Recreation, Park and Conservation Fund.....	9,519	13,433	6,595	6,780	7,083	7,413	7,747
Department Total	\$ 37,762	\$ 46,361	\$ 39,616	\$ 40,345	\$ 41,180	\$ 42,052	\$ 42,938
Infrastructure Investment Authority							
Environmental Stewardship Fund.....	\$ 23,985	\$ 31,754	\$ 32,908	\$ 32,469	\$ 32,469	\$ 0	\$ 0
Insurance							
General Fund.....	\$ 19,094	\$ 56,438	\$ 58,610	\$ 63,578	\$ 75,895	\$ 87,963	\$ 90,783
Tobacco Settlement Fund.....	0	73,728	109,843	137,718	139,081	122,196	124,021
Department Total	\$ 19,094	\$ 130,166	\$ 168,453	\$ 201,296	\$ 214,976	\$ 210,159	\$ 214,804
Labor and Industry							
General Fund.....	\$ 90,419	\$ 108,521	\$ 104,044	\$ 103,632	\$ 103,502	\$ 104,332	\$ 104,897
Military and Veterans Affairs							
General Fund.....	\$ 87,727	\$ 86,575	\$ 97,384	\$ 98,664	\$ 100,470	\$ 102,312	\$ 104,189
Milk Marketing Board							
Milk Marketing Fund.....	\$ 2,359	\$ 2,422	\$ 2,495	\$ 2,545	\$ 2,596	\$ 2,648	\$ 2,701
Probation and Parole							
General Fund.....	\$ 86,001	\$ 91,268	\$ 102,464	\$ 99,353	\$ 100,941	\$ 102,562	\$ 104,212
Public Television Network							
General Fund.....	\$ 17,228	\$ 15,416	\$ 13,116	\$ 9,932	\$ 10,000	\$ 10,069	\$ 10,139
Public Welfare							
General Fund.....	\$ 6,189,163	\$ 6,493,398	\$ 6,699,791	\$ 7,072,814	\$ 7,584,380	\$ 8,139,553	\$ 8,691,507
Tobacco Settlement Fund.....	0	63,943	77,355	102,349	108,772	94,933	96,740
Department Total	\$ 6,189,163	\$ 6,557,341	\$ 6,777,146	\$ 7,175,163	\$ 7,693,152	\$ 8,234,486	\$ 8,788,247
Revenue							
General Fund.....	\$ 319,543	\$ 250,591	\$ 242,186	\$ 234,145	\$ 239,915	\$ 245,858	\$ 251,977
Lottery Fund.....	302,622	387,230	363,251	365,375	367,797	370,390	373,160
Racing Fund.....	216	222	228	233	238	243	248
Motor License Fund.....	19,183	19,722	22,157	22,420	22,688	22,962	23,241
Department Total	\$ 641,564	\$ 657,765	\$ 627,822	\$ 622,173	\$ 630,638	\$ 639,453	\$ 648,626
Securities Commission							
General Fund.....	\$ 2,163	\$ 2,199	\$ 2,256	\$ 2,301	\$ 2,347	\$ 2,394	\$ 2,442

Seven Year Department Summary by Fund

	(Dollar Amounts in Thousands)						
	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
State							
General Fund.....	\$ 3,615	\$ 5,976	\$ 16,683	\$ 8,324	\$ 8,463	\$ 8,558	\$ 8,680
State Employees' Retirement System							
General Fund.....	\$ 6	\$ 10	\$ 0	\$ 7	\$ 7	\$ 7	\$ 7
State Police							
General Fund.....	\$ 144,780	\$ 158,890	\$ 170,652	\$ 173,214	\$ 176,622	\$ 178,030	\$ 181,575
Motor License Fund.....	301,091	326,508	350,591	356,774	363,787	366,548	373,844
Department Total	\$ 445,871	\$ 485,398	\$ 521,243	\$ 529,988	\$ 540,409	\$ 544,578	\$ 555,419
Tax Equalization Board							
General Fund.....	\$ 1,319	\$ 1,349	\$ 1,388	\$ 1,416	\$ 1,444	\$ 1,473	\$ 1,502
Transportation							
General Fund.....	\$ 301,537	\$ 317,325	\$ 315,841	\$ 315,720	\$ 315,733	\$ 315,892	\$ 316,055
Lottery Fund.....	105,480	118,348	125,475	129,739	134,801	140,108	145,613
Motor License Fund.....	1,505,269	1,524,316	1,580,526	1,506,855	1,526,551	1,550,819	1,550,027
Department Total	\$ 1,912,286	\$ 1,959,989	\$ 2,021,842	\$ 1,952,314	\$ 1,977,085	\$ 2,006,819	\$ 2,011,695
Legislature							
General Fund.....	\$ 220,411	\$ 239,545	\$ 245,429	\$ 245,556	\$ 245,656	\$ 245,788	\$ 245,892
Judiciary							
General Fund.....	\$ 214,543	\$ 221,142	\$ 228,111	\$ 232,688	\$ 236,675	\$ 240,741	\$ 244,887
COMMONWEALTH TOTALS:							
General Fund	\$ 19,295,301	\$ 19,979,272	\$ 20,772,314	\$ 21,181,895	\$ 21,816,494	\$ 22,376,284	\$ 23,010,506
Lottery Fund	854,572	988,362	1,050,947	1,123,317	1,188,126	1,259,498	1,338,395
Racing Fund	18,686	21,072	19,972	22,022	22,027	22,031	22,035
Motor License Fund	1,965,488	1,996,406	2,059,449	1,981,726	1,998,909	2,008,558	2,015,111
Game Fund	47,905	48,976	49,582	50,514	51,464	52,433	53,422
Fish Fund	23,500	27,347	27,910	27,433	27,967	28,512	29,067
Banking Department Fund	9,070	10,538	12,146	10,348	10,554	10,764	10,979
Milk Marketing Fund	2,359	2,432	2,505	2,555	2,606	2,658	2,711
Farm Products Show Fund	4,728	5,085	4,860	4,005	4,005	3,905	3,905
Boat Fund	8,145	8,595	9,099	9,267	9,438	9,613	9,791
Keystone Recreation, Park and Conservation Fund .	74,376	117,800	50,921	52,473	54,828	57,372	59,928
Tobacco Settlement Fund.....	0	306,178	322,071	403,803	407,798	358,292	363,642
Environmental Stewardship Fund.....	85,969	133,982	138,853	137,000	137,000	0	0
GRAND TOTAL	\$ 22,390,099	\$ 23,646,045	\$ 24,520,629	\$ 25,006,358	\$ 25,731,216	\$ 26,189,920	\$ 26,919,492

General and Special Funds

This table shows a summary by Commonwealth Programs of 1999-00 expenditures, the 2000-01 amounts available, the 2001-02 amounts budgeted and future year estimates as presented in the Governor's 2001-02 Executive Budget for the General Fund and selected Special Funds.

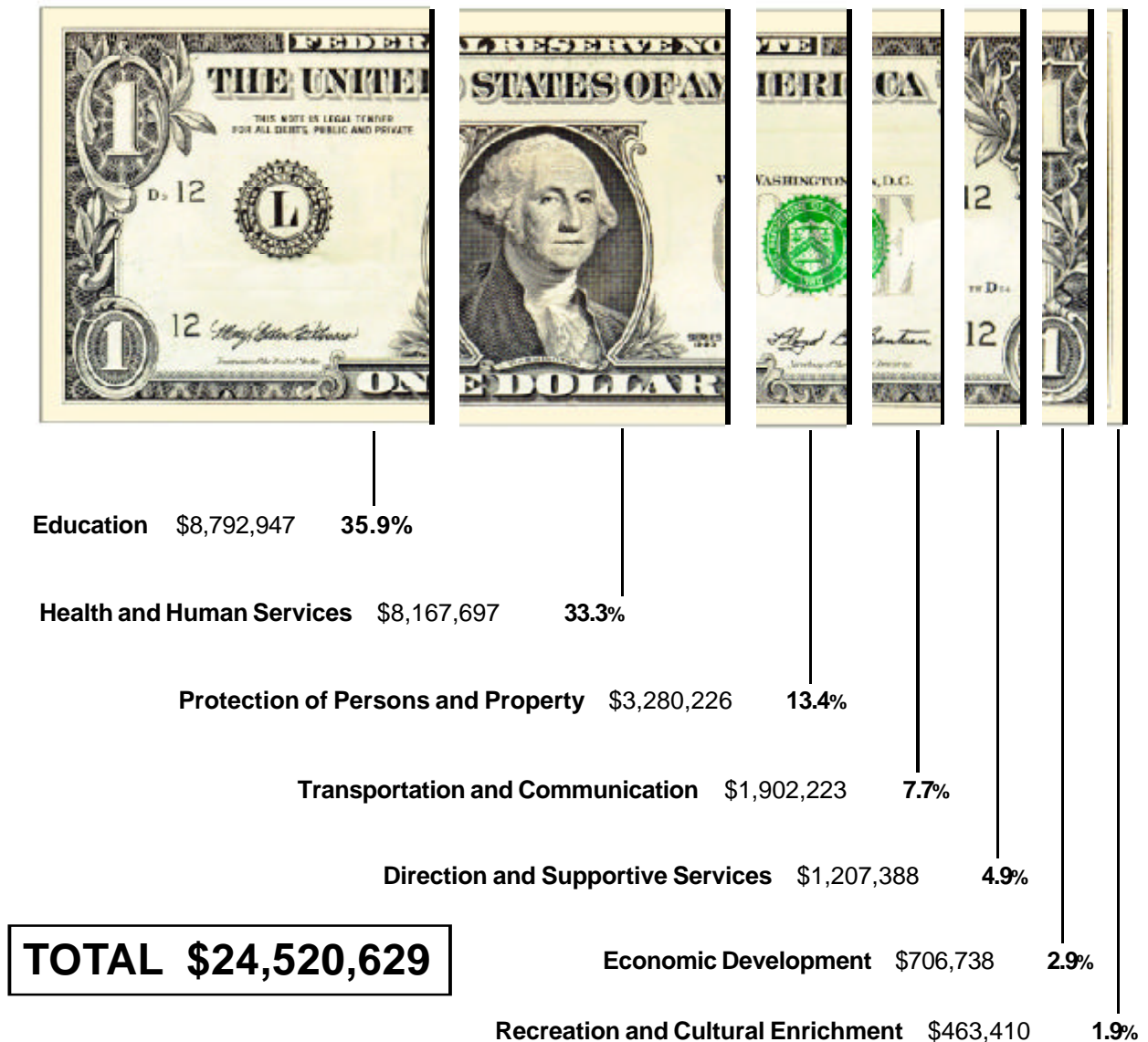
Seven Year Commonwealth Program Summary

	(Dollar amounts in Thousands)						
	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Commonwealth Program	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
Direction and Supportive Services.....	\$ 1,140,357	\$ 1,144,965	\$ 1,207,388	\$ 1,180,312	\$ 1,193,873	\$ 1,206,467	\$ 1,181,649
Protection of Persons and Property.....	2,873,653	3,082,437	3,280,226	3,333,261	3,420,892	3,319,593	3,396,256
Education.....	8,156,101	8,486,982	8,792,947	8,815,276	8,817,481	8,838,975	8,861,393
Health and Human Services.....	7,210,824	7,792,726	8,167,697	8,661,822	9,261,944	9,853,709	10,487,077
Economic Development.....	730,165	814,240	706,738	727,930	722,418	669,863	671,918
Transportation and Communication.....	1,853,922	1,816,438	1,902,223	1,829,849	1,851,418	1,870,835	1,884,281
Recreation and Cultural Enrichment.....	425,077	508,257	463,410	457,908	463,190	430,478	436,918
GENERAL FUND AND SPECIAL							
FUNDS TOTAL.....	<u>\$ 22,390,099</u>	<u>\$ 23,646,045</u>	<u>\$ 24,520,629</u>	<u>\$ 25,006,358</u>	<u>\$ 25,731,216</u>	<u>\$ 26,189,920</u>	<u>\$ 26,919,492</u>

Distribution of the Commonwealth Dollar

GENERAL FUND AND SPECIAL FUNDS

2001-02 Fiscal Year
(Dollar Amounts in Thousands)



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

General Fund

This table shows a summary by Commonwealth Program of 1999-00 expenditures, the 2000-01 amounts available, the 2001-02 amounts budgeted and future year estimates as presented in the Governor's 2001-02 Executive Budget for the General Fund.

Seven Year Commonwealth Program Summary

	(Dollar amounts in Thousands)						
	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
Commonwealth Program							
Direction and Supportive Services.....	\$ 855,302	\$ 854,866	\$ 922,298	\$ 891,257	\$ 900,604	\$ 908,820	\$ 879,452
Protection of Persons and Property.....	2,376,412	2,440,097	2,572,216	2,597,774	2,675,259	2,658,957	2,727,806
Education.....	8,146,329	8,476,027	8,782,003	8,803,953	8,805,711	8,826,744	8,848,709
Health and Human Services.....	6,587,252	6,905,122	7,144,824	7,520,548	8,035,784	8,592,763	9,147,838
Economic Development.....	706,180	681,108	656,879	674,208	689,949	669,863	671,918
Transportation and Communication.....	369,496	340,472	393,321	400,233	413,546	426,963	439,994
Recreation and Cultural Enrichment.....	254,330	281,580	300,773	293,922	295,641	292,174	294,789
GENERAL FUND TOTAL.....	\$ 19,295,301	\$ 19,979,272	\$ 20,772,314	\$ 21,181,895	\$ 21,816,494	\$ 22,376,284	\$ 23,010,506

Distribution of the Commonwealth Dollar

GENERAL FUND

2001-02 Fiscal Year



Education 42.3¢

Health and Human Services 34.4¢

Protection of Persons and Property 12.4¢

Direction and Supportive Services 4.4¢

Economic Development 3.2¢

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 2000-01 amounts available and the 2001-02 amounts budgeted and the percent each program represents of the General Fund total as presented in the 2001-02 Governor's Executive Budget.

Program Summary

(Dollar Amounts in Thousands)

	2000-01		2001-02	
Commonwealth Program				
Direction and Supportive Services.....	\$ 854,866	4.3%	\$ 922,298	4.4%
Protection of Persons and Property.....	2,440,097	12.2%	2,572,216	12.4%
Education.....	8,476,027	42.4%	8,782,003	42.3%
Health and Human Services.....	6,905,122	34.6%	7,144,824	34.4%
Economic Development.....	681,108	3.4%	656,879	3.2%
Transportation and Communication.....	340,472	1.7%	393,321	1.9%
Recreation and Cultural Enrichment.....	281,580	1.4%	300,773	1.4%
GENERAL FUND TOTAL.....	\$ 19,979,272	100.0%	\$ 20,772,314	100.0%

GENERAL FUND

2001-02 Fiscal Year



Sales	\$7,525,200	35.1%
Personal Income	\$7,920,400	36.9%
Other Business	\$2,055,000	9.6%
Corporate Net Income	\$1,877,600	8.8%
Other Revenues	\$1,290,000	6.0%
Inheritance	\$773,100	3.6%

Income

(Dollar Amounts in Thousands)

TOTAL INCOME	\$21,441,300
Refunds	-932,000
Less Tax Reduction	-44,640
Beginning Balance	312,769
<hr/>	
TOTAL	\$ 20,777,429

Outgo

(Dollar Amounts in Thousands)

TOTAL OUTGO	\$ 20,772,314
Tax Stabilization	
Reserve Fund	767
Ending Surplus	4,348
<hr/>	
TOTAL	\$ 20,777,429

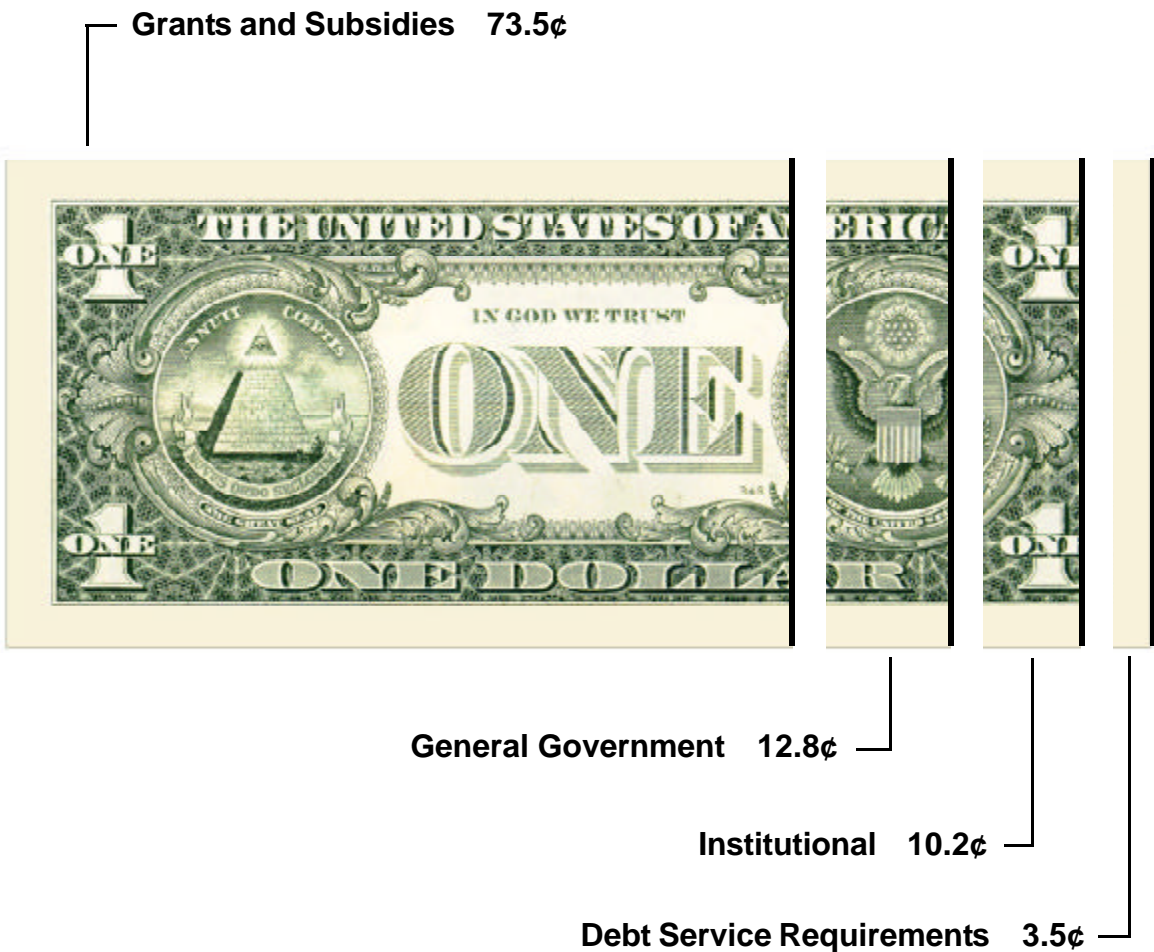


Education	\$8,782,003	42.3%
Health and Human Services	\$7,144,824	34.4%
Protection	\$2,572,216	12.4%
Direction	\$922,298	4.4%
Other Programs	\$694,094	3.3%
Economic Development	\$656,879	3.2%

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

2001-02 Fiscal Year



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.



2001-02 PROGRAM POLICY DIRECTION AND BUDGET THEMES

The Governor's 2001-02 Program Policy Guidelines, issued in August 2000, defined major policy issues, stated priorities and provided direction to Commonwealth agencies for the preparation of 2001-02 agency budget requests. The 2001-02 Program Policy Direction section immediately following this page presents the program and financial goals and policies that guided the development of the Governor's Executive Budget.

This section summarizes the Governor's recommended Program Revisions for the 2001-02 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 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 that briefly summarizes all Program Revision budget recommendations contained in that theme. The remainder of the theme then presents information on each Program Revision, including the departments or agencies responsible for implementing the Program Revision, the funding sources and appropriations supporting Program Revision implementation, and a brief summary description of Program Revision components. Detailed Program Revision presentations, including 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.

2001-02 Program Policy Direction

This section presents the program and financial goals and policies that guided the development of the 2001-02 Governor's Executive Budget. The Governor's 2001-02 Program Policy Guidelines, issued in August 2000, defined major policy issues, stated priorities and provided direction to Commonwealth agencies for the preparation of 2001-02 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 2001-02 Budget would seek to build on the solid foundation of past accomplishments demonstrated by a strong economy and record low unemployment rates. The healthy economy and low unemployment presented tremendous opportunity for State Government to build on its record tax cuts, to continue to transform Pennsylvania's business climate and taxes so that additional businesses would want to call Pennsylvania "home". To sustain Pennsylvania's position as a leader among states and a competitor among nations, State Government must support the demands of "new economy" businesses and employees. Agencies must maintain a first rate infrastructure to ensure that it supports our overall goals of economic development, community and family empowerment, public safety, and environmental, educational and government reform. To be a leader in technology and job creation, the Commonwealth also must be a national leader in education. Pennsylvania's schools must produce a workforce that can support the Commonwealth's emerging high-tech industry base. The direction provided by the 2001-02 Program Policy Guidelines will allow the Ridge Administration to continue to fulfill its pledge to empower individuals, families and communities to control the issues that affect them most, including their personal and financial self-sufficiency, health and well being. By remaining focused on the strategic vision, goals and objectives first set forth by his Administration in 1996, State Government and its citizens will succeed in efforts to forge a new Pennsylvania -- a Pennsylvania that recognizes the "Commonwealth" of its people, communities, businesses, infrastructure, heritage, and environment, and a Pennsylvania that seeks to preserve and enrich the wealth so that it can be enjoyed and nurtured by generations to come.

The 2001-02 Program Policy Guidelines noted that Pennsylvania, like most other states, was participating in and benefiting from robust national economic growth, but that some economic indicators appeared to be showing that growth in the economy as a whole would slow to levels believed to be more sustainable. The Guidelines noted that the gains in employment and incomes accompanying the recent period of strong economic growth have produced higher tax revenues -- particularly for the personal income and the sales taxes. However, with much of the forecast economic slowdown anticipated to be concentrated in consumer spending and income, planning for the 2001-02 Budget should not include an expectation for tax revenues to increase at rates similar to those in recent fiscal years.

The Governor also stated that he would not seek a tax increase in the 2001-02 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., and were to submit proposals that would improve efficiency and accomplish program changes through the effective reengineering of programs. In addition, agencies were to develop operating budgets based on the amounts necessary to carry forward current programs at minimum cost. 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. Most importantly, 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.

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 2001-02 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 six 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 2001-02 Program Policy Guidelines.

Creating Economic Opportunity

Pennsylvania's economic development strategy over the past six years to lower taxes, expand and enhance traditional economic development and spur technology development has positioned the Commonwealth and its businesses and entrepreneurs to excel in the digital economy of the 21st century.

Taxes continue to be reduced for Pennsylvania citizens and employers. Last year's historic \$775 million in tax cuts will continue to have a lasting and dramatic effect on the economy. In particular, the phase-out of the Capital Stock and Franchise Tax (CSFT) means that Pennsylvania employers will have more to invest in new jobs, facilities and equipment. This Program Revision continues Pennsylvania's recent tradition of tax cuts, by recommending \$203.3 million in tax reductions for 2001-02. This year, the CSFT will be reduced to 7.49 mills and in January 2002 to 6.49 mills, saving employers \$172.3 million. The tax will be completely eliminated in 2009. Once again, the Commonwealth will conduct two Tax Free PC Holidays, enabling thousands of Pennsylvanians to purchase home computers and peripheral equipment sales tax free. This budget also increases the amount of discretionary income for working families by expanding the Personal Income Tax poverty exemption by \$1,000 per dependent. This will raise the income exemption for a family of four to \$30,000, saving Pennsylvania families a total of \$17.8 million. This budget will also increase the Job Creation Tax Credits by \$2.5 million.

The economy of the 21st century bears little resemblance to that of the industrial past. The new economy is based on the move from the production of physical goods to the production and application of knowledge, and has created fundamental changes affecting nearly every business sector. These changes result largely from technological advances and require unique approaches to ensure that Pennsylvania continues to excel in the new digital economy. To ensure continued success within this new economic framework, this budget recommends the consolidation of the Ben Franklin and Pennsylvania Technology Investment Authority programs into a new Ben Franklin Technology Development Authority.

Changing demands of the digital economy require strong initiatives to educate and retain knowledge-based workers. This budget recommends increased funding for the WEDnetPA training program component of the Customized Job Training program, in order to meet the growing demand for this popular guaranteed training program, and to ensure that Pennsylvania employers maintain a competitive advantage. In addition, to ensure that the Commonwealth keeps its best and brightest young adults, this budget recommends \$10 million for a Brain Gain program to showcase Pennsylvania's opportunities and encourage young adults to live and work in Pennsylvania.

This budget also recommends merging the Commonwealth's two core community development initiatives to create a new program better aligned with the digital economy. The existing Main Street and Enterprise Zone programs will be consolidated into a New Communities program to create a more flexible and technology-focused tool, and to enable the Commonwealth to integrate the revitalization of downtowns with that of industrial/manufacturing areas. Additional funding is recommended to enable the Commonwealth to participate in exceptional investment opportunities throughout the State. This investment will provide opportunities for extraordinary job creation while building on existing workforce, infrastructure and intellectual strengths of the Commonwealth. This budget also recommends additional funding to reinforce Pennsylvania's dedicated network of local and regional economic development agencies. Finally, expanding Pennsylvania's international presence has been a top economic development priority. This budget seeks to bolster Pennsylvania's status in the global marketplace by recommending additional funds for trade offices and international trade missions.

Overview and Summaries

Recommended Program Revision: _____

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

2001-02	
General Fund	Federal and Other Funds

(Dollar Amounts in Thousands)

Program Revision / Department / Appropriation

EXCELLING IN THE DIGITAL ECONOMY

Community and Economic Development:

International Trade.....	\$ 900	
Brain Gain.....	10,000	
Land Use Planning Assistance.....	1,000	
Transfer to Ben Franklin/IRC Fund.....	(39,100)	
Transfer to Ben Franklin Tech. Development Authority Fund.....	56,397	
Opportunity Grant Program.....	5,000	
Customized Job Training.....	5,450	
Housing & Redevelopment Assistance.....	3,000	
Enterprise Development.....	(6,996)	
New Communities.....	11,500	
Industrial Development Assistance.....	1,500	
Local Development Districts.....	640	
Small Business Development Centers.....	500	
Main Street Program.....	(2,500)	
PEDFA-PA Technology Investment Authority.....	(26,300)	
Industrial Resource Center.....	11,203	
PENNTAP.....	300	
Powdered Metals.....	200	
Agile Manufacturing.....	750	
Local Government Capital Project Loans (EA).....	\$ 500	
Total.....	\$ 33,444	\$ 500

This Program Revision positions Pennsylvania to excel in the 21st century digital economy by further reducing taxes and enhancing technology-related initiatives. This Program Revision provides resources to: consolidate key Commonwealth technology programs to create a new streamlined economic development program; train workers for the highly skilled jobs of the new economy; showcase Pennsylvania opportunities to encourage young adults to remain living and working in Pennsylvania; consolidate and modernize core community development programs; and expand traditional economic development financing and international trade activities.

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 six years in order to create a quality education system able to prepare our students to face the world of today and tomorrow. Resources were 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 and the workplace and for participation in society. An incentive award program is in place to recognize schools that make significant strides in improving the education and effort of their students. Additional program initiatives are underway to incorporate technology into our schools, and to reach beyond the classroom by creating digital school districts.

This budget seeks to build upon past efforts by recommending additional funding for basic education programs and for a fifth year of incentive awards for schools that show significant improvement in achievement and effort. To insure the effectiveness of the incentive program, this budget recommends 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 also recommends additional funding to establish a coordinated, high quality teacher professional development program.

This budget recommends new funding for educational support services to help "at risk" children. To encourage innovative thinking in the delivery of education, this budget also recommends resources for school district planning grants for independently-operated public schools. The Commonwealth's commitment to technology in education is continued this year through proposals to establish new digital school districts and a technology leadership academy to train school leaders in the effective use of technology in the classroom. This budget also recommends increased funding for school district and intermediate unit special education programs.

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. To ensure that public libraries can continue to provide quality services, this budget recommends additional changes to the manner in which the Commonwealth funds public libraries. Additional funding is recommended to enhance local libraries' operating budgets and to create stronger incentives for local governments to invest in their public libraries. This budget also recommends additional resources to enhance and expand the Access Pennsylvania database, as well as for the integrated library system that maintains and updates the database enabling access to the most current library holdings.

Overview and Summaries

Recommended Program Revision: _____

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

2001-02	
	Federal and Other Funds
General Fund	Federal and Other Funds

(Dollar Amounts in Thousands)

Program Revision / Department / Appropriation

IMPROVING OUR SCHOOLS

Education:

General Government Operations.....	\$	1,400	
PA Assessment.....		5,490	
Basic Education Funding.....		151,672	
Performance Incentives.....		36,892	
Technology Initiative.....		5,000	
Teacher Professional Development.....		4,000	
Special Education.....		78,309	
Education Support Services.....		23,600	
Independent Schools.....		2,000	
PA Technology Leadership Academy 2001.....		1,290	
Total.....	\$	309,653	\$ 0

This Program Revision increases support for basic education and special education programs, expands the performance incentive program, refines and expands the current academic assessment system, and expands teacher professional development opportunities. In addition, this Program Revision provides resources for two additional digital school districts, technology training for school leaders, education support services, and planning grants for independently-operated public schools.

INVESTING IN PENNSYLVANIA'S PUBLIC LIBRARIES

Education:

Improvement of Library Services.....	\$	13,000	
School Library Catalog.....		1,600	
Total.....	\$	14,600	\$ 0

This Program Revision restructures public library funding to enhance local libraries' operating budgets and to create stronger incentives 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 integrated library system.

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 and older Pennsylvanians the opportunity to be as productive as possible, to fully participate in society and to age at home with dignity and family. 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 for persons with disabilities and older Pennsylvanians.

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 find dignity by permanently moving from welfare into self-sufficiency. Since the implementation of welfare reform, the cash assistance caseload has decreased by approximately 93,000 families. To support individuals and families transitioning from welfare to work, over \$3.3 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. This budget recommends funding to further increase the availability of employment and training, housing and asset building opportunities for low-income individuals and families to become and remain self-sufficient.

As a result of medical and technological advancements and the development of more sophisticated service delivery systems, many individuals who would otherwise have been institutionalized are now able to remain in their homes and communities with the appropriate supports. This budget recommends funding to expand home and community-based opportunities for persons with mental retardation, individuals with disabilities and older Pennsylvanians. For persons with mental illness currently residing in State mental hospitals, this budget expands the availability of home and community-based behavioral health services. This budget also recommends funding to ensure that home and community-based services offering alternatives to institutionalization continue to be provided by qualified personnel.

Recommended Program Revision:

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

Program Revision / Department / Appropriation	2001-02	
	General Fund	Federal and Other Funds
(Dollar Amounts in Thousands)		
PROMOTING SELF-SUFFICIENCY AND RESPONSIBILITY		
Community and Economic Development:		
TANFBG-Housing Collaboration.....	\$	30,000
TANFBG-Family Savings Account.....		2,000
Public Welfare:		
TANFBG - Child Support Enforcement.....		1,850
New Directions.....	\$ 1,170	
TANFBG - New Directions.....		26,665
Food Stamps - New Directions.....		1,170
TANFBG - Cash Grants.....		(5,518)
TANFBG - Homeless Assistance.....		2,000
Total.....	\$ 1,170	\$ 58,167

This Program Revision provides resources to: expand the availability of employment and training opportunities for welfare recipients and low-income individuals; increase the availability of affordable housing for families transitioning from welfare to work; provide homeless assistance services to additional individuals and families as they move towards permanency; and encourage asset accumulation through matched savings accounts for low-income families transitioning to self-sufficiency.

Overview and Summaries

2001-02	
General Fund	Federal and Other Funds

(Dollar Amounts in Thousands)

Program Revision / Department / Appropriation

EXPANDING HOME AND COMMUNITY-BASED CARE

Aging:

General Government Operations - Lottery Programs.....	\$ 99	
PENNCARE.....		\$ 2,200
Community Care.....		18,155
Medical Assistance - Community Care.....		3,581

Public Welfare:

General Government Operations.....	500	
Mental Health Services.....	14,555	
TANFBG - Cash Grants.....		7,500
Medical Assistance - Outpatient.....		4,237
Intergovernmental Transfer - Outpatient.....		4,733
Medical Assistance - Long-Term Care.....		697
Intergovernmental Transfer - Long-Term Care.....		600
Community Mental Retardation Services.....	36,255	
Medical Assistance - Community MR Services.....		28,613
Services to Persons with Disabilities.....	1,536	
Medical Assistance - Services to Persons with Disabilities.....		5,394
Intergovernmental Transfer - Persons with Disabilities.....		3,211
Attendant Care.....	800	
Medical Assistance - Attendant Care.....		683
Intergovernmental Transfer.....		1,105
Nursing Home Alternatives.....		9,682
Medical Assistance - Nursing Home Alternatives.....		11,545
Total.....	\$ 53,745	\$ 101,936

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 and older Pennsylvanians; provide home and community-based behavioral health services for persons currently residing in State mental hospitals; implement community long-term care system reforms; and implement direct careworker recruitment and retention initiatives.

Ensuring Public Safety

Ensuring public safety is of critical importance to increasing the quality of life for citizens and businesses in Pennsylvania's communities, and therefore is a basic function of State government. This budget continues the Commonwealth's effort to protect public safety through crime prevention, law enforcement and rehabilitation of offenders. In an effort to address this challenge, this budget recommends funding to expand programs to assist communities in developing juvenile delinquency and drug education programs as well as litigate against drug and liquor nuisance properties. Additional funding is recommended to support violence prevention programs and specialized probation services. This budget also recommends additional funding to increase the availability of Statewide adult probation services, as well as to support prison capacity expansions, additional security equipment and expanded vocational education and substance abuse programs in State Correctional Institutions. Realizing that the fight against crime must be waged across the full continuum of public safety strategies, this budget recommends funding for expanded community-based behavioral health services for parolees with dually diagnosed mental illness and substance abuse problems. Finally, this budget recommends resources to support civilian positions so that State Police Troopers will be able to focus on and perform law enforcement duties.

Recommended Program Revision:

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

	<u>2001-02</u>	
	General Fund	Federal and Other Funds
(Dollar Amounts in Thousands)		
Program Revision / Department / Appropriation		
PROTECTING PUBLIC SAFETY		
Executive Offices:		
Partnership for Safe Children.....	\$ 1,786	
Weed and Seed Program.....	1,135	
Drug Education and Law Enforcement.....	1,200	
Research-Based Violence Prevention.....	2,000	
Specialized Probation Services.....	2,000	
Corrections:		
Medical Care.....	488	
Inmate Education and Training.....	1,439	
State Correctional Institutions.....	7,486	
Probation and Parole:		
General Government Operations.....	1,601	
Public Welfare:		
Mental Health Services.....	2,500	
State Police:		
General Government Operations.....	644	
Turnpike Commission.....	\$ 257	
General Government Operations.....		1,370
Total.....	\$ 22,279	\$ 1,627

This Program Revision provides resources to expand juvenile delinquency, drug education and crime and violence prevention programs; specialized probation services; and Statewide parole services. In addition, this Program Revision increases prison capacity, provides additional security equipment and expands vocational education and substance abuse programming in State Correctional Institutions. This Program Revision also provides resources to expand community-based behavioral health services for parolees with dually diagnosed mental illness and substance abuse problems, and for civilian support to enable State Police Troopers to focus on law enforcement duties.

Information Technology for Pennsylvania

Utilizing advances in information technology enables State government to work more efficiently and effectively while at the same time enhancing service delivery. 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 recommends enterprise-wide solutions enabling agencies to access upgraded software, hardware and facility infrastructure and providing citizens and customers with easier access to government services.

Consistent with an enterprise-wide approach to information technology, this budget recommends funding for an integrated communication network; desktop computing, network administration software and data center transition costs and the development of additional e-government applications. Funding is recommended to upgrade and integrate the Commonwealth's administrative systems and to provide agency-specific technology upgrades and interfaces with the integrated administrative systems. This budget also recommends funding for the continued development and implementation of the Pennsylvania Integrated Criminal Justice Network and enhancement and expansion of the Juvenile Tracking System. Funding is also recommended to develop an integrated voter registration system.

This budget also recommends third-year funding for the State Police Incident Information Management System in order to create an agency-wide system that will promote information technology communications and data sharing capabilities in addition to providing mobile workstations for State Police Troopers and consolidating statewide dispatch centers. Funding is also recommended to restructure the State Police criminal history database, enable larger file transfers via the Commonwealth Law Enforcement Assistance Network and automate manual processes. Finally, this budget recommends funding for radio equipment for two agencies for the Statewide Public Safety Radio System which is scheduled to begin Statewide operations in December 2001.

Overview and Summaries

Recommended Program Revision: _____

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

	<u>2001-02</u>	
	General Fund	Federal and Other Funds
	(Dollar Amounts in Thousands)	
Program Revision / Department / Appropriation		
ENHANCING INFORMATION TECHNOLOGY TO BETTER SERVE PENNSYLVANIA		
Executive Offices:		
Information Communication.....	\$ 26,248	
Technology Investment Program.....	25,570	
Electronic Government.....	10,000	
Integrated Management Systems.....	46,470	
Integrated Criminal Justice System.....	15,176	
Treasury:		
Computer Integration Program.....	2,200	
Military and Veterans Affairs:		
General Government Operations.....	1,808	
Probation and Parole:		
General Government Operations.....	4,265	
State:		
Voter Registration.....	8,500	
State Police:		
CLEAN System.....	11,312	
CLEAN System.....	\$ 23,923	
Transportation:		
General Government Operations.....		1,507
Highway and Safety Improvements.....		12,054
Highway Maintenance.....		13,560
Safety Administration and Licensing.....		3,013
Total.....	\$ 151,549	\$ 54,057

This Program Revision continues the implementation of an enhanced communications network, desktop computing and network administration software and the development of additional e-government applications. In addition, this Program Revision provides resources to upgrade and integrate administrative systems and agency interfaces and to continue development and implementation of the Justice Network, the Juvenile Tracking System, and the Incident Information Management System. This Program Revision also provides resources for State Police computer technology enhancements, additional agency radio equipment for use with the Statewide Public Safety Radio System, and for development of an integrated voter registration 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 520 PRIME recommendations have been completed. It is estimated that over \$580 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 2001-02 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 2000-01. 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 six projects have earned Innovation Awards. A total of \$529,084 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 2000-01 are shown below. These examples are highlighted in the respective agency presentations and identified by a PRIME logo.



1. The Department of Revenue has implemented two web-based applications for businesses. In the first, new businesses can register with the department via the Internet eliminating the need to complete an over 20 page paper application; in the second all businesses now have the opportunity to file their Sales and Employer taxes through the Web saving them time and the expense associated with processing these taxes manually.
2. The Department of Environmental Protection completed an initiative that streamlines the process for review and approval of the construction of Small Flow Sewage Treatment Facilities. The new system reduces the application processing and approval time from over two years to approximately 60 days.
3. The Department of Health in cooperation with the Department of Aging designed a method to allow for more effective administration of Renal Program pharmaceutical payments. Payments are now made within 14 days versus the 60 – 90 days under the previous system. A savings of \$1.9 million resulted from this innovation.

4. The Department of Conservation and Natural Resources redesigned the Keystone Grant Process. Through a combination of revamping the grant application form and the contract preparation and approval process, it now requires 30 days to finalize a grant instead of over 6 months under the previous system.



Examples of PRIME recommendations that will be completed in 2001-02 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 a system, which will streamline the process for registration and licensing of hearing aid fitters.
2. The Department of State will complete an initiative that will reduce the time needed to process and certify notaries in Pennsylvania.
3. The Department of Insurance will redesign the manner in which new and renewal licenses are granted to insurance agents.
4. The Department of Labor and Industry will redesign the Employer Registration Process to reduce the amount of time required to issue correct rates to businesses required to file Unemployment Compensation taxes.
5. The Pennsylvania State Police will undertake methods to reduce the time needed to receive and process applications for criminal background checks.



Green Government

In 1998, 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 Commonwealth operations. Since conventional US buildings use 40% of total energy supplies, derived primarily from fossil fuels, which generate one third of carbon dioxide emissions and greenhouse gases, high performance green building continues to be a major focus. Major activities include:

- The recent occupation of two new green buildings: The Keystone Office Building, in downtown Harrisburg, and a new leased office for the Department of Environmental Protection in Ebensburg. The latter boasts the second largest solar array in the state and was recognized by the American Institute of Architects as one of the top 10 US green buildings in 2000.
- The Department of Conservation and Natural Resources commitment to developing Nescopeck State Park as a "green park".
- The State System of Higher Education breaking ground for a green elementary school in conjunction with the College of Education at Shippensburg University. The environmental principles underlying the building's design will be incorporated actively into the school's curriculum.
- The Department of Education's exploration of ways in which its funding process might support high performance school buildings.
- The US Green Building Council's certification of the Department of Environmental Protection's South-central Regional Office as one of the first twelve buildings rated as green under its "Leadership in Energy and Environmental Design" (LEED) rating system.

- Presentation by staff from Carnegie Mellon University's School of Architecture of a year-long professional development program on high performance green building and integrated design for Commonwealth architects and engineers. The curriculum will subsequently be offered to the Pennsylvania chapter of the American Institute of Architects for use in their continuing education program.
- Provision of statewide training on the Department of General Services' new procurement process for enabling agencies to acquire guaranteed energy saving services when retrofitting existing buildings. The Department of Corrections has already issued three Requests for Proposals. A generic version of the process is being developed as a potential tool for use by municipal governments and school districts.
- In Calendar Year (CY) 2000, five percent of the electricity used in Commonwealth buildings was generated from renewable sources. The supplier indicates that this commitment was the primary factor enabling construction of a 10 mega-watt wind farm in Somerset County. A similar purchase of renewable electricity is anticipated for CY2001.

For the coming year, the Council 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. This will entail a variety of educational efforts, tailored to individual needs, and designed to raise awareness of how policies and day-to-day actions affect the environment.
- Work on improving accountability by developing meaningful measures for which data can be collected cost effectively.

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 \$11.5 billion. The Commonwealth is slated to receive annual payments of between \$398 million and \$460 million between 2001 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.

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.

This budget continues to recommend the following Health Investment Plan priorities and funding allocation percentages:

- | | |
|--|--|
| <p>➤ Health Care Insurance for the Uninsured: 40%
Subsidize health care insurance coverage, including pharmaceutical benefits, for uninsured adults with incomes under 200 percent of the Federal poverty level.
Subsidize Medical Assistance coverage, including specialized services, for working Pennsylvanians with disabilities whose income is under 250 percent of the Federal poverty level.</p> | <p>accepted standards and review boards. Priority will be given to proposals that have not obtained other funding to avoid duplications.</p> |
| <p>➤ Home and Community Based Care: 15%
Expand home and community-based services for older Pennsylvanians.</p> | <p>➤ Venture Capital: 5%
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. In addition, \$90 million is available in 2000-01 for regional biotechnology research centers.</p> |
| <p>➤ Tobacco Prevention Programs: 10%
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>➤ Uncompensated Care: 10%
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>➤ Tobacco Cessation Programs: 5%
Enhance and expand existing cessation programs, including the use of smoking cessation pharmaceuticals to improve long-term “quit rates”.</p> | <p>➤ Endowment Account: 5%
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>➤ Broad-Based Health Research: 10%
Fund health-related research proposals from Pennsylvania-based researchers. The proposals must have been peer reviewed and approved using nationally</p> | <p>TOTAL 100%</p> |

Early Childhood Initiative

“Ensuring that Pennsylvanian’s children are healthy, safe, and ready for school”

Pennsylvania’s children are among our most precious resources. This Administration’s commitment to the health, education and well-being of Pennsylvania’s children has been demonstrated in past budgets and is reflected again in this budget. Our vision is that all children in Pennsylvania are healthy, safe and ready to succeed in school. This budget proposes to build upon the existing programs and services for young children, in accordance with the following goals.

- **All children are healthy.**

Healthy children are better prepared for learning and academic success. A coordinated system of health care, nutritional services and nutritional information supports children and families as they learn and grow.

This budget includes funding for the Department of Health to provide newborn screening, well-baby/child visits, childhood immunizations, health care referrals and services to children with special needs. Funding is also provided for the Department of Public Welfare and the Insurance Department to provide health care coverage for low-income children. In addition, funding is provided for the departments of Education, Health and Public Welfare to provide nutritional assistance for children and their families.

- **All children are safe.**

Children must reside and be cared for in safe, stable environments that support their learning and growth.

This budget includes funding for the Department of Public Welfare to ensure that child care centers are appropriately licensed, provide quality services, and support parental choice of child care providers for low-income families. Funding is also provided for the Commission on Crime and Delinquency and the Department of Education to support safe communities and stable families for children. In addition, funding is provided for the Department of Community and Economic Development to support a father’s role in the family.

- **All children are ready for school.**

Parental involvement and access to performance-based early childhood development materials are critical to a child’s future success.

This budget includes funding for the departments of Education and Public Welfare to provide early intervention services designed to assess and assist children with developmental delays. Funding is also provided for the Department of Education to support family literacy programs. In addition, the Department of Education has developed an assessment kit based on Pennsylvania’s academic standards to assess a pre-school age child’s academic needs upon entering kindergarten. A leadership forum for teachers and families of young children to discuss best practices for student achievement has also been convened. The Department of Health is developing early childhood cognitive development information, aimed at providing parents and families with the information to support early childhood cognitive and brain development.

Below is a summary of new and expanded early childhood initiatives, totaling approximately \$48 million. Please refer to individual agency presentations for additional information regarding these initiatives.

	(Dollar Amounts in Thousands)	
	<u>State Funds</u>	<u>Federal Funds</u>
Department of Education		
Early Childhood Education.....	\$ 1,500	
Early Childhood Development and Education.....		\$ 250
Expanded Early Intervention Services	5,300	
Department of Public Welfare		
Child Abuse Prevention Campaign		500
Expanded Early Intervention Services	3,794	325
Parent-Child Home Program		4,000
Cyberstart Training		692
Head Start Collaboration Project		2,000
Commission on Crime and Delinquency		
Nurse Home Visitation Program		7,200
Department of Community and Economic Development		
Cyberstart Infrastructure Development.....		8,400
Bridging the Digital Divide.....		4,000
Child Care Start-Up Challenge Grants		10,000
TOTAL	<u>\$ 10,594</u>	<u>\$ 37,367</u>



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: 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 2000-01 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 2001-02 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 1999-00 expenditures, 2000-01 available and 2001-02 amounts budgeted as presented in the 2001-02 Governor's Executive Budget.

(Dollar Amounts in Thousands)

	1999-00 Actual Block	2000-01 Available Block	2001-02 Recommended Block
Community Services.....	\$ 20,811	\$ 26,535	\$ 27,756
Small Communities.....	75,788	81,075	1,300
Education.....	14,886	17,884	17,884
Maternal and Child Health.....	28,076	29,022	30,980
Preventive Health and Health Services.....	11,737	11,667	10,494
Substance Abuse.....	59,690	63,071	62,309
Workforce Investment.....	160,214 ^a	225,200	237,900
Child Care and Development Fund.....	249,301	231,396	246,824
Low Income Home Energy Assistance.....	120,093	172,026	141,629
Mental Health Services.....	12,024	16,342	14,352
Social Services.....	162,785	163,001	155,001
Temporary Assistance to Needy Families.....	669,147	672,351	812,362
Anti-Drug Abuse.....	42,907	50,462	45,742
TOTAL.....	\$ 1,627,459	\$ 1,760,032	\$ 1,804,533

^a 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, the Pennsylvania Directors' Association for Community Action, and competitive grants are awarded in the areas of employment training, job preparedness, community conservation corps, community economic development, summer employment and youth programs, emergency assistance and homeless assistance.

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

(Dollar Amounts in Thousands)

Department / Appropriation	1999-00 Actual Block	2000-01 Available Block	2001-02 Recommended Block
Community and Economic Development:			
CSBG — Administration.....	\$ 436	\$ 1,035	\$ 1,388
CSBG — Community Services.....	20,375	25,500	26,368
TOTAL.....	\$ 20,811	\$ 26,535	\$ 27,756

Small Communities

The Housing and Community Development Act of 1974, Title I created this block grant which 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.

Beginning in Fiscal Year 2001-02 the Federal funds will be granted directly to the local governments through the implementation of the United States Department of Housing and Urban Development Integrated Disbursement and Information System and will not flow through the state. However the Commonwealth maintains administrative oversight for the program.

(Dollar Amounts in Thousands)

Department / Appropriation	1999-00 Actual Block	2000-01 Available Block	2001-02 Recommended Block
Community and Economic Development:			
SCDBG — Administration.....	\$ 789	\$ 1,075	\$ 1,300
SCDBG — Small Communities.....	74,999	80,000	0
TOTAL.....	<u>\$ 75,788</u>	<u>\$ 81,075</u>	<u>\$ 1,300</u>

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	1999-00 Actual Block	2000-01 Available Block	2001-02 Recommended Block
Education:			
ESEA Title VI — Administration/State.....	\$ 2,256 ^a	\$ 3,580 ^a	\$ 3,580 ^a
School Districts:			
ESEA Title VI — School Districts.....	\$ 12,630	\$ 14,304	\$ 14,304
TOTAL.....	\$ 14,886	\$ 17,884	\$ 17,884

^a 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. These personnel and operational costs are found in the Administration and Operations line item which also contains some programmatic costs. These include outreach, promotional costs, laboratory supplies, and help line services.

(Dollar Amounts in Thousands)

Department / Appropriation	1999-00 Actual Block	2000-01 Available Block	2001-02 Recommended Block
Executive Offices:			
MCHSBG — Communities that Care.....	\$ 200	\$ 200	\$ 0
Health:			
MCHSBG — Administration and Operation..	\$ 12,899	\$ 13,520	\$ 15,585
MCHSBG — Program Services.....	14,977	15,302	15,395
Subtotal.....	\$ 27,876	\$ 28,822	\$ 30,980
TOTAL.....	\$ 28,076	\$ 29,022	\$ 30,980

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. Funding also works toward eliminating disparities between the health status of the general population and that of identifiable subpopulations including: geographical, racial, ethnic, gender, or other groups. Administration is limited to ten percent.

(Dollar Amounts in Thousands)

Department / Appropriation	1999-00 Actual Block	2000-01 Available Block	2001-02 Recommended Block
Health:			
PHHSBG — Administration and Operation.....	\$ 4,300	\$ 4,181	\$ 3,419
PHHSBG — Block Program Services.....	4,934	4,983	4,679
Subtotal.....	<u>\$ 9,234</u>	<u>\$ 9,164</u>	<u>\$ 8,098</u>
Public Welfare:			
PHHSBG — Domestic Violence.....	\$ 150	\$ 150	\$ 150
PHHSBG — Rape Crisis	2,353	2,353	2,246
Subtotal.....	<u>\$ 2,503</u>	<u>\$ 2,503</u>	<u>\$ 2,396</u>
TOTAL.....	<u><u>\$ 11,737</u></u>	<u><u>\$ 11,667</u></u>	<u><u>\$ 10,494</u></u>

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	1999-00 Actual Block	2000-01 Available Block	2001-02 Recommended Block
Executive Offices:			
SABG — Communities that Care.....	\$ 200	\$ 200	\$ 0
Corrections:			
SABG — Drug and Alcohol Programs.....	\$ 2,100	\$ 2,100	\$ 2,100
Health:			
SABG — Administration and Operation.....	\$ 4,513	\$ 5,254	\$ 5,374
SABG — Drug and Alcohol Services.....	50,894	53,534	52,852
Subtotal.....	\$ 55,407	\$ 58,788	\$ 58,226
Public Welfare:			
Homeless Services — SABG.....	\$ 1,983	\$ 1,983	\$ 1,983
TOTAL.....	\$ 59,690	\$ 63,071	\$ 62,309

Workforce Investment

The Federal Workforce Investment Act (WIA) of 1998 replaced the Job Training Partnership Act (JTPA), on July 1, 2000 and will 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 is implementing the act through the Pennsylvania Workforce Investment Board (PWIB) – a public-private partnership among businesses, government, communities and economic developers to provide resources needed for businesses in Pennsylvania. The PWIB 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 PWIB coordinates 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 established a one-stop career center system, state and local workforce investment boards, and a unified strategic five-year plan. Funding for numerous career service programs have been 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 can 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 are used for rapid response activities and fifteen percent can be used for statewide 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 reauthorized the Federal Adult Education and Literacy programs for Federal fiscal years 1999-2003. WIA Title III amended the Federal Wagner Peyser Act to require the Federal Employment Service/Job Statistics programs to become part of the one-stop career system and established a national employment statistics initiative. WIA Title IV reauthorized 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	1999-00 Actual Block	2000-01 Available Block	2001-02 Recommended Block
Executive Offices:			
JTPA — Program Accountability.....	\$ 400	\$ 0	\$ 0
WIA — Program Accountability.....	0	400	400
Subtotal.....	\$ 400	\$ 400	\$ 400
Education:			
JTPA — Linkages.....	\$ 207	\$ 0	\$ 0
JTPA — Educational Training.....	1,348	0	0
Subtotal.....	\$ 1,555	\$ 0	\$ 0

Workforce Investment (continued)

(Dollar Amounts in Thousands)

Department / Appropriation	1999-00 Actual Block	2000-01 Available Block	2001-02 Recommended Block
Labor and Industry:			
JTPA — Administration.....	\$ 5,258	\$ 0	\$ 0
JTPA — Grants to Service Delivery Areas...	49,092	0	0
JTPA — Summer Youth	37,400	0	0
JTPA — Incentive Grants.....	795	0	0
JTPA — Older Workers.....	946	0	0
JTPA — Dislocated Workers.....	64,133	0	0
JTPA — Veterans' Employment.....	635	0	0
WIA -----Administration.....	0	6,800	8,500
WIA -----Adult Employment & Training.....	0	60,000	60,000
WIA -----Youth Employment & Training.....	0	52,000	52,000
WIA -----Statewide Activities.....	0	12,000	23,000
WIA -----Dislocated Workers.....	0	94,000	94,000
Subtotal.....	\$ 158,259	\$ 224,800	\$ 237,500
TOTAL.....	<u>\$ 160,214</u>	<u>\$ 225,200</u>	<u>\$ 237,900</u>

Child Care and Development Fund

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

(Dollar Amounts in Thousands)

Department / Appropriation	1999-00 Actual Block	2000-01 Available Block	2001-02 Recommended Block
Community and Economic Development:			
CCDFBG — Child Care Start-Up.....	\$ 0	\$ 500	\$ 500
CCDFBG — Cyberstart.....	0	0	8,400
Subtotal.....	\$ 0	\$ 500	\$ 8,900
Education:			
CCDFBG-Early Childhood Development.....	\$ 0	\$ 0	\$ 250
Public Welfare:			
CCDFBG — Administration.....	\$ 2,720	\$ 3,854	\$ 10,981
CCDFBG — Cash Grants.....	154,708	95,073	90,032
CCDFBG — Child Care	89,544	130,709	135,401
CCDFBG — School Age.....	2,329	1,260	1,260
Subtotal.....	\$ 249,301	\$ 230,896	\$ 237,674
TOTAL.....	\$ 249,301	\$ 231,396	\$ 246,824

Low-Income Home Energy Assistance

This block grant provides funds to assist eligible low-income individuals and families 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 \$1,600,000 in 1999-00, \$1,300,000 in 2000-01, and is projected to provide \$918,000 in 2001-02 for the Low-Income Home Energy Assistance Program (LIHEAP).

(Dollar Amounts in Thousands)

Department / Appropriation	1999-00 Actual Block	2000-01 Available Block	2001-02 Recommended Block
Community and Economic Development:			
LIHEABG — Administration.....	\$ 250	\$ 450	\$ 500
LIHEABG — Weatherization Program.....	10,769	14,550	13,600
Subtotal.....	\$ 11,019	\$ 15,000	\$ 14,100
Public Welfare:			
LIHEABG — Administration.....	\$ 6,535	\$ 6,900	\$ 7,529
LIHEABG — Low-Income Families and Individuals.....	102,539	150,126	120,000
Subtotal.....	\$ 109,074	\$ 157,026	\$ 127,529
TOTAL.....	\$ 120,093	\$ 172,026	\$ 141,629

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	1999-00 Actual Block	2000-01 Available Block	2001-02 Recommended Block
Public Welfare:			
MHSBG — Administration.....	\$ 98	\$ 98	\$ 98
MHSBG — Community Mental Health.....	11,926	16,244	14,254
TOTAL.....	\$ 12,024	\$ 16,342	\$ 14,352

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	1999-00 Actual Block	2000-01 Available Block	2001-02 Recommended Block
Public Welfare:			
SSBG — Administration.....	\$ 3,691	\$ 3,691	\$ 3,691
SSBG — County Assistance	6,262	6,262	6,262
SSBG — Basic Institutional Program.....	1,056	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.....	\$ 105,001	\$ 105,001	\$ 105,001
Community and Economic Development:			
Empowerment Zones and Enterprise Communities — SSBG.....	\$ 57,784	\$ 58,000 ^a	\$ 50,000 ^a
TOTAL.....	\$ 162,785	\$ 163,001	\$ 155,001

^a 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 and other 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	1999-00 Actual Block	2000-01 Available Block	2001-02 Recommended Block
Executive Offices:			
<i>Office of Inspector General</i>			
TANFBG — Program Accountability.....	\$ 1,700	\$ 1,835	\$ 2,010
<i>Partnership for Safe Children</i>			
TANFBG — Nurse Home Visitation.....	0	0	7,200
<i>Juvenile Court Judges Commission</i>			
TANFBG — Juvenile Probation Emergency Assistance Services.....	2,000	2,000	2,000
Subtotal.....	\$ 3,700	\$ 3,835	\$ 11,210
Community and Economic Development:			
TANFBG — Housing Assistance.....	\$ 0	\$ 5,000	\$ 5,000
TANFBG — Housing Collaboration.....	0	0	30,000
TANFBG — Family Savings Account.....	0	0	2,000
TANFBG — Digital Divide.....	0	0	4,000
TANFBG — Child Care Challenge Grants...	0	0	10,000
Subtotal.....	\$ 0	\$ 5,000	\$ 51,000
Health:			
TANFBG — Abstinence Education.....	\$ 0	\$ 0	\$ 500
Higher Education Assistance Agency:			
TANFBG — Education Opportunities.....	\$ 0	\$ 1,500	\$ 1,500
Public Welfare:			
TANFBG — Administration.....	\$ 4,724	\$ 4,724	\$ 5,224
TANFBG — Information Systems.....	2,788	5,082	5,738
TANFBG — Statewide.....	2,892	2,802	4,421
TANFBG — County Assistance.....	45,361	46,241	49,844
TANFBG — Child Support Enforcement.....	0	0	1,850
TANFBG — New Directions.....	59,921	54,906	128,921
TANFBG — Youth Development Center.....	0	6,907	6,907
TANFBG — Cash Grants.....	324,681	267,559	282,447
TANFBG — Child Welfare.....	220,000	262,995	244,000
TANFBG — Child Care Services.....	0	0	2,000
TANFBG — Domestic Violence.....	500	500	3,500
TANFBG — Rape Crisis.....	300	300	1,300
TANFBG — Homeless Assistance.....	0	0	2,000
Subtotal.....	\$ 661,167	\$ 652,016	\$ 738,152
Transportation:			
TANFBG — Access to Jobs.....	4,280	10,000	10,000
TOTAL.....	\$ 669,147	\$ 672,351	\$ 812,362

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 increase 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 from the Substance Abuse Block Grant. This program, along with funding recommendations, is described elsewhere in this section.

(Dollar Amounts in Thousands)

Department / Appropriation	1999-00 Actual Block	2000-01 Available Block	2001-02 Recommended Block
DRUG CONTROL AND SYSTEM IMPROVEMENT			
FORMULA GRANT PROGRAM (DCSI)			
Executive Offices:			
<i>Integrated Criminal Justice System</i>			
DCSI — Electronic Reporting.....	\$ 0	\$ 365 ^a	\$ 243 ^a
<i>Juvenile Court Judges Commission</i>			
DCSI — Enhanced Data Collection.....	\$ 342 ^a	\$ 228 ^a	\$ 141 ^a
DCSI — Balanced and Restorative Justice.....	32 ^a	0	0
DCSI — Specialized Probation Technical Assistance.....	0	177 ^a	147 ^a
Subtotal.....	\$ 374	\$ 405	\$ 288
<i>Commission on Crime and Delinquency</i>			
DCSI — Administration.....	\$ 1,256	\$ 1,600	\$ 1,600
DCSI — Program Grants.....	21,237	24,000	24,000
DCSI — Criminal History Records.....	10	10	10
Subtotal.....	\$ 22,503	\$ 25,610	\$ 25,610
Aging:			
DCSI — Older Adult Protective Services Act.....	\$ 82 ^a	\$ 50 ^a	\$ 0
DCSI — Older Domestic Violence Victims Cross Training.....	0	53 ^a	53 ^a
Subtotal.....	\$ 82	\$ 103	\$ 53
Attorney General:			
DCSI — Elder Abuse Investigation Training.....	\$ 32 ^a	\$ 0	\$ 0
DCSI — Elder Abuse Advisory Board.....	23 ^a	20 ^a	25 ^a
DCSI — Child Sexual Exploitation Prevention.....	21 ^a	27 ^a	17 ^a
DCSI — Monitoring Prescription Abuse.....	56 ^a	20 ^a	0
DCSI — Financial Investigations and Moneyhandling	279 ^a	235 ^a	127 ^a
DCSI — Pennsylvania Drug Law Enforcement Coordinating System.....	0	432 ^a	288 ^a
DCSI — Organized Crime and Drug Enforcement.....	562 ^a	284 ^a	94 ^a
DCSI — Computer Forensics.....	0	489 ^a	326 ^a
Subtotal.....	\$ 973	\$ 1,507	\$ 877

Overview and Summaries

Anti-Drug Abuse (continued)

(Dollar Amounts in Thousands)

Department / Appropriation	1999-00 Actual Block	2000-01 Available Block	2001-02 Recommended Block
Corrections:			
DCSI — Violent Crime Victims.....	\$ 13 ^a	\$ 41 ^a	\$ 40 ^a
DCSI — Inmate Records.....	79 ^a	100 ^a	75 ^a
DCSI — Data Information Transfer.....	80 ^a	250 ^a	0
DCSI — Electronic Inmate File System.....	169 ^a	225 ^a	0
DCSI — Therapeutic Community.....	6 ^a	75 ^a	300 ^a
DCSI — Ionscan.....	37 ^a	18 ^a	0
DCSI — Employment Opportunities.....	0	750 ^a	375 ^a
DCSI — Virtual Visitation.....	0	0	120 ^a
DCSI — Adult Interactive Living.....	0	140 ^a	325 ^a
DCSI — Intervention Training.....	0	18 ^a	0
DCSI — Video Conferencing.....	18 ^a	89 ^a	0
Subtotal.....	\$ 402	\$ 1,706	\$ 1,235
Community and Economic Development:			
DCSI — Regional Police Peer Program.....	\$ 5 ^a	\$ 5 ^a	\$ 5 ^a
Probation and Parole:			
DCSI — Office of Victim Advocate Automation Enhancement.....	\$ 113 ^a	\$ 0	\$ 0
DCSI — Residential Substance Abuse Treatment Aftercare.....	111 ^a	351 ^a	348 ^a
DCSI — County SAVE.....	815 ^a	897 ^a	548 ^a
DCSI — Digital Photograph System.....	548 ^a	0	0
DCSI — Parole Planning System Automation.....	188 ^a	1,575 ^a	25 ^a
DCSI — Assessment Board.....	160 ^a	0	0
DCSI — Community Notification.....	0	100 ^a	100 ^a
Subtotal.....	\$ 1,935	\$ 2,923	\$ 1,021
Health:			
DCSI — Adult Offender Treatment.....	\$ 265 ^a	\$ 930 ^a	\$ 735 ^a
Public Welfare:			
DCSI — YDC/YFC Review and Assessment.....	\$ 37 ^a	\$ 0	\$ 0
DCSI — Medical and Psychiatric Services.....	24 ^a	0	0
DCSI — Training Academy.....	0	35 ^a	23 ^a
Subtotal.....	\$ 61	\$ 35	\$ 23
State Police:			
DCSI — Ballistics.....	\$ 0	\$ 365 ^a	\$ 0
DCSI — Robotic DNA Sampling.....	0	113 ^a	0
DCSI — Aerial Surveillance Equipment.....	365 ^a	235 ^a	0
DCSI — Redesign Crime Reporting System.....	0	200 ^a	600 ^a
DCSI — Digital Wiretap Network.....	0	649 ^a	600 ^a
DCSI — Minority Recruitment.....	0	0	159 ^a
DCSI — Criminal History Data.....	1,855 ^a	1,968 ^a	1,968 ^a
Subtotal.....	\$ 2,220	\$ 3,530	\$ 3,327
TOTAL.....	\$ 22,503	\$ 25,610	\$ 25,610

Overview and Summaries

Anti-Drug Abuse (continued)

(Dollar Amounts in Thousands)

Department / Appropriation	1999-00 Actual Block	2000-01 Available Block	2001-02 Recommended Block
SAFE AND DRUG FREE SCHOOLS AND COMMUNITIES (DFSC)			
Executive Offices:			
<i>Commission on Crime and Delinquency</i>			
DFSC — Special Programs.....	\$ 4,568	\$ 5,200	\$ 5,200
DFSC — Student Assistance Evaluation Project.....	35 ^a	0	0
Subtotal.....	\$ 4,603	\$ 5,200	\$ 5,200
Education:			
DFSC — Administration.....	\$ 1,556	\$ 2,680	\$ 2,066
DFSC — School Districts.....	14,280	16,972	12,866
Subtotal.....	\$ 15,836	\$ 19,652	\$ 14,932
Health:			
DFSC — Special Programs for Student Assistance.....	\$ 1,123 ^a	\$ 1,125 ^a	\$ 1,125 ^a
Military and Veterans Affairs:			
DFSC — Scotland School for Veterans Children.....	\$ 1 ^a	\$ 2 ^a	\$ 2 ^a
Public Welfare:			
DFSC — Special Programs — Juvenile Aftercare Services	\$ 1,225 ^a	\$ 1,225 ^a	\$ 1,225 ^a
DFSC — Special Programs for Domestic Violence.....	425 ^a	425 ^a	425 ^a
DFSC — Special Programs for Rape Crisis.....	142 ^a	142 ^a	142 ^a
Subtotal.....	\$ 1,792	\$ 1,792	\$ 1,792
TOTAL.....	\$ 20,404	\$ 24,852	\$ 20,132
GRAND TOTAL ALL PROGRAMS.....	\$ 42,907	\$ 50,462	\$ 45,742

^a Subgrants 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
TOTAL.....	\$ 9,290	\$ 9,605

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.

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".

(Dollar Amounts in Thousands)

<u>Department</u>	<u>2000-01</u> <u>Estimate</u>	<u>2001-02</u> <u>Estimate</u>
Governor's Office.....	\$ 980	\$ 983
Executive Offices.....	228	277
Lt. Governor's Office.....	68	70
Aging.....	162	168
Agriculture.....	232	237
Banking.....	25	26
Civil Service Commission.....	51	55
Community and Economic Development.....	330	345
Conservation and Natural Resources.....	245	257
Corrections.....	205	252
Education.....	298	304
Emergency Management Agency.....	102	105
Environmental Protection.....	2,249	2,382
Fish and Boat Commission.....	108	113
Game Commission.....	282	294
General Services.....	62	65
Health.....	282	295
Historical and Museum Commission.....	108	114
Insurance.....	214	218
Labor and Industry.....	387	400
Liquor Control Board.....	207	217
Military and Veterans Affairs.....	174	179
Milk Marketing Board.....	169	177
Probation and Parole Board.....	76	78
Public Television Network.....	13	14
Public Utility Commission.....	130	151
Public Welfare.....	400	447
Revenue.....	395	411
Securities Commission.....	28	32
State.....	230	231
State Police.....	209	214
Transportation.....	799	836
TOTAL	\$ 9,448	\$ 9,947

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 2001-02. These expenditures are expected to generate approximately \$911 million in lottery revenues during 2001-02.
- *Economic development* - A total of \$35.2 million is budgeted in the General Fund to promote tourism and economic development. This will contribute to an estimated \$22.2 billion in 2001-02 travel revenues to Pennsylvania and supports the State's aggressive effort to preserve and create jobs.



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)
1999-00 2000-01 2001-02
ACTUAL AVAILABLE BUDGET

GENERAL FUND:

General Government:

Governor's Office.....	\$	7,441	\$	7,793	\$	8,027
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Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
EXECUTIVE DIRECTION							
GENERAL FUND.....	\$ 7,441	\$ 7,793	\$ 8,027	\$ 8,188	\$ 8,352	\$ 8,519	\$ 8,689
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 7,441	\$ 7,793	\$ 8,027	\$ 8,188	\$ 8,352	\$ 8,519	\$ 8,689
ALL PROGRAMS:							
GENERAL FUND.....	\$ 7,441	\$ 7,793	\$ 8,027	\$ 8,188	\$ 8,352	\$ 8,519	\$ 8,689
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	\$ 7,441	\$ 7,793	\$ 8,027	\$ 8,188	\$ 8,352	\$ 8,519	\$ 8,689

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)

Governor's Office
 \$ 234 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Governor's Office	\$ 7,441	\$ 7,793	\$ 8,027	\$ 8,188	\$ 8,352	\$ 8,519	\$ 8,689



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 employe 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	2001-02 State Funds (in thousands)
Enhancing Information Technology to Better Serve Pennsylvania		
	Information Communication.....	\$ 26,248
	Technology Investment Program.....	25,570
	Electronic Government.....	10,000
	Information Management Systems.....	46,470
	Integrated Criminal Justice Network.....	15,176
		<hr/>
	Program Revision Subtotal.....	<u>\$ 123,464</u>

This Program Revision provides resources for communication equipment and facility infrastructure improvements; enterprise-wide information technology projects; e-government applications; an integrated administrative software suite; and development and implementation of the Justice Network for use by all criminal justice agencies. A total of \$205.6 million in State funds is provided by this Program Revision across six agencies.

Protecting Public Safety

	Partnership for Safe Children.....	\$ 1,786
	Weed and Seed.....	1,135
	Drug Education and Law Enforcement Grant.....	1,200
	Research-Based Violence Prevention.....	2,000
	Specialized Probation Services.....	2,000
		<hr/>
	Program Revision Subtotal.....	<u>\$ 8,121</u>

This Program Revision provides resources to expand community-based violence and delinquency prevention programs, expand Drug Abuse Resistance Education training and programming, assist communities in eliminating drug-related crime, 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 \$23.9 million Protecting Public Safety 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.

	Department Total.....	<u><u>\$ 131,585</u></u>
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Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00	2000-01	2001-02
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
General Government:			
Office of Administration.....	\$ 8,115	\$ 8,285	\$ 8,534
(A)Classification and Pay Services.....	2,380	2,380	2,451
(A)State Employee Assistance Program.....	1,387	1,224	1,259
(A)Clerical Testing Program.....	55	55	57
(A)Temporary Clerical Pool.....	4,699	5,209	5,607
(A)Bureau of Management Consulting.....	1,598	1,480	1,524
(A)Executive Board/Directives Management.....	277	271	279
(A)Labor Relations.....	133	160	140
(A)Managing for Government Responsiveness Training.....	431	435	435
(A)Group Life Insurance Program Commissions.....	60	90	80
(A)Miscellaneous Projects.....	43	43	30
Subtotal.....	<u>\$ 19,178</u>	<u>\$ 19,632</u>	<u>\$ 20,396</u>
Medicare Part B Penalties.....	470	460	450
Information Communication.....	0	24,000	26,248
Technology Investment Program.....	25,933	17,391^a	25,570
Commonwealth Technology Services.....	6,441^b	11,809	13,919
(A)Commonwealth Technology Center.....	14,002	12,258	9,818
Subtotal.....	<u>\$ 20,443</u>	<u>\$ 24,067</u>	<u>\$ 23,737</u>
Electronic Government.....	0	20,000	10,000
Communications Management.....	0	2,655	4,524
Integrated Management Systems.....	0	35,408	46,470
Integrated Criminal Justice System.....	9,231	12,019	15,176
(F)DCSI - Electronic Reporting (EA).....	0	365	243
Subtotal.....	<u>\$ 9,231</u>	<u>\$ 12,384</u>	<u>\$ 15,419</u>
Office of Inspector General.....	2,434	2,869	3,258
(A)Reimbursements for Special Fund Investigations.....	1,023	1,023	1,023
Subtotal.....	<u>\$ 3,457</u>	<u>\$ 3,892</u>	<u>\$ 4,281</u>
Inspector General - Welfare Fraud.....	10,988	11,437	12,183
(F)TANFBG-Program Accountability.....	1,700	1,835	2,010
(F)Food Stamps - Program Accountability.....	4,399	4,683	5,130
(F)Medical Assistance - Program Accountability.....	1,945	2,528	2,213
(F)Subsidized Day Care Fraud.....	100	150 ^c	136
Subtotal.....	<u>\$ 19,132</u>	<u>\$ 20,633</u>	<u>\$ 21,672</u>
Office of the Budget.....	29,140	30,784	31,645
(F)JTPA - Program Accountability.....	400	0	0
(F)WIA - Program Accountability.....	0	400	400
(A)Support for Commonwealth Payroll Operations.....	6,523	6,708	6,909
(A)Support for PLCB Comptroller's Office.....	6,963	7,538	7,764
(A)Support for Comptroller Services.....	19,894	21,028	21,646
Subtotal.....	<u>\$ 62,920</u>	<u>\$ 66,458</u>	<u>\$ 68,364</u>
Audit of the Auditor General.....	50	0	0
Office of General Counsel.....	3,337	6,789	8,506
(A)CLE Registration Fees.....	21	35	20
(A)Legal Intern Program.....	326	516	428
Subtotal.....	<u>\$ 3,684</u>	<u>\$ 7,340</u>	<u>\$ 8,954</u>
Rural Development Council.....	178	183	218
(F)Rural Development.....	118	116	116
(F)Rural Development Through Forestry.....	11	25	0
(A)Special Projects.....	2	0	0

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
Subtotal.....	\$ 309	\$ 324	\$ 334
Human Relations Commission.....	10,147	11,939	12,240
(F)EEOC - Special Project Grant.....	1,486	1,600	1,600
(F)HUD - Special Project Grant.....	993	1,500	1,500
(A)Miscellaneous Revenues.....	7	20	25
Subtotal.....	\$ 12,633	\$ 15,059	\$ 15,365
Latino Affairs Commission.....	197	222	228
African American Affairs Commission.....	336	351	361
Council on the Arts.....	1,023	1,046	1,181
(F)NEA - Grants to the Arts - Administration.....	175	175	175
Subtotal.....	\$ 1,198	\$ 1,221	\$ 1,356
Commission for Women.....	256	274	282
(A)Conference Registration Fees.....	0	50	50
Subtotal.....	\$ 256	\$ 324	\$ 332
Juvenile Court Judges Commission.....	2,285	1,799	2,094
(F)DCSI - Enhanced Data Collecting and Reporting (EA).....	342	228	141
(F)DCSI - Balanced and Restorative Justice (EA).....	32	0	0
(F)DCSI - Specialized Probation Technical Assistance (EA).....	0	177	147
(F)Juvenile-Adult System Interface (EA).....	0	325	0
Subtotal.....	\$ 2,659	\$ 2,529	\$ 2,382
Public Employee Retirement Commission.....	633	654	673
Commission on Crime and Delinquency.....	4,683	4,551	4,531
(F)Plan for Juvenile Justice.....	290	350	350
(F)DCSI - Administration.....	1,256	1,600	1,600
(F)DCSI - Program Grants.....	21,237	24,000	24,000
(F)DCSI - Criminal History Records.....	10	10	10
(F)Juvenile Justice - Title V.....	0	0	1,400 d
(F)Juvenile Justice - Title V - Administration.....	37	60	60
(F)Statistical Analysis Center.....	100	150	150
(F)National Criminal History Improvement Program.....	2,199	5,800 e	5,800
(F)Crime Victims Compensation Services.....	1,121	1,800	1,800
(F)Crime Victims Assistance.....	0	0	11,000 d
(F)Violence Against Women.....	5,193	8,200	8,200
(F)Violence Against Women - Administration.....	128	290	290
(F)Juvenile Justice State Challenge Grants.....	463	1,200	1,200
(F)Local Law Enforcement Block Grant.....	3,403	3,000	3,000
(F)Truth in Sentencing Incentive Grants.....	1,000	30,000	30,000
(F)Residential Substance Abuse Treatment Program.....	2,789	3,000	3,000
(F)DFSC - Special Programs.....	4,568	5,200	5,200
(F)Crime Victims Assistance (VOCA) - Admin/Operations.....	451	600	600
(F)MCHSBG - Communities That Care.....	200	200	0
(F)SABG - Communities That Care.....	200	200	0
(F)Byrne Evaluation Partnership Program.....	100	200	200
(F)Juvenile Accountability Incentive Program.....	6,248	18,000	18,000
(F)Juvenile Accountability Incentive Program - Administration.....	228	400	400
(F)Combat Underage Drinking Program.....	450	450	450
(F)Training and Education Assistance Program.....	92	100	100
(F)Rural Domestic Violence & Child Victimization.....	38	415	415
(F)Pennsylvanians Against Underage Drinking.....	300	400	400
(F)Victim Assistance Training Academy.....	20	135	120
(F)Juvenile Justice and Delinquency Prevention.....	0	0	3,500 d
(F)DFSC - Student Assistance Evaluation Project.....	35	0	0
(A)Deputy Sheriff's Education and Training.....	217	240	266
(A)PCCD - Special Projects.....	10	210	217

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
Subtotal.....	\$ 57,066	\$ 110,761	\$ 126,259
Office of School Victims Advocate.....	0	1,000	1,000
Legal Advocacy.....	300	314	0
Juvenile Accountability Incentive Program.....	0	1,206	0
Partnership for Safe Children.....	1,000	3,330	5,170
(F)TANFBG - Nurse Home Visitation.....	0	0	7,200
Subtotal.....	\$ 1,000	\$ 3,330	\$ 12,370
Victims of Juvenile Crime.....	3,463	3,800	3,805
Weed and Seed Program.....	0	1,156	2,326
State Match for DCSI Subgrants.....	0	957^f	1,955
Subtotal - State Funds.....	\$ 120,640	\$ 216,688	\$ 242,547
Subtotal - Federal Funds.....	63,857	119,867	142,256
Subtotal - Augmentations.....	60,051	60,973	60,028
Total - General Government.....	\$ 244,548	\$ 397,528	\$ 444,831
Grants and Subsidies:			
National Convention and Conferences.....	\$ 7,000	\$ 0	\$ 0
Intermediate Punishment Programs.....	5,331	5,331	5,331
Intermediate Punishment Drug and Alcohol Treatment.....	11,000	13,000	13,000
Drug Education and Law Enforcement.....	4,000	4,000	5,200
Research-Based Violence Prevention.....	4,090^g	8,000^g	10,000
Improvement of Juvenile Probation Services.....	5,651	5,779	6,033
(F)TANFBG - Juvenile Probation Emergency Services.....	2,000	2,000	2,000
Specialized Probation Services.....	11,000^h	13,267	15,623
Law Enforcement Activities.....	0	7,500	4,000
Grants to the Arts.....	11,998	14,000	15,400
(F)NEA - Grants to the Arts.....	446	1,200	1,000
Subtotal - State Funds.....	\$ 60,070	\$ 70,877	\$ 74,587
Subtotal - Federal Funds.....	2,446	3,200	3,000
Total - Grants and Subsidies.....	\$ 62,516	\$ 74,077	\$ 77,587
STATE FUNDS.....	\$ 180,710	\$ 287,565	\$ 317,134
FEDERAL FUNDS.....	66,303	123,067	145,256
AUGMENTATIONS.....	60,051	60,973	60,028
GENERAL FUND TOTAL.....	\$ 307,064	\$ 471,605	\$ 522,418
<u>MOTOR LICENSE FUND:</u>			
General Government:			
Office of the Budget.....	\$ 4,063	\$ 4,386	\$ 4,485
(A)Reimbursement for Comptroller Services.....	590	805	693
Statewide Public Safety Radio System.....	0	612	960
Subtotal - State Funds.....	\$ 4,063	\$ 4,998	\$ 5,445
Subtotal - Augmentations.....	590	805	693
Total - General Government.....	\$ 4,653	\$ 5,803	\$ 6,138
STATE FUNDS.....	\$ 4,063	\$ 4,998	\$ 5,445
AUGMENTATIONS.....	590	805	693
MOTOR LICENSE FUND TOTAL.....	\$ 4,653	\$ 5,803	\$ 6,138

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00	2000-01	2001-02
	ACTUAL	AVAILABLE	BUDGET
<u>OTHER FUNDS:</u>			
GENERAL FUND:			
Victim/Witness Services.....	\$ 4,520	\$ 4,000	\$ 4,500
Crime Victims Reimbursements.....	5,306	3,800	5,300
Constables Education and Training Account.....	1,435	1,500	1,500
Drug Abuse Resistance Education.....	55	150	150
Federal Juvenile Justice and Delinquency Prevention.....	3,018	3,500	0 ^d
Federal Crime Victim Assistance.....	10,765	10,000	0 ^d
Federal Juvenile Justice - Title V.....	1,378	800	0 ^d
GENERAL FUND TOTAL.....	<u>\$ 26,477</u>	<u>\$ 23,750</u>	<u>\$ 11,450</u>
MEDICAL PROFESSIONAL LIABILITY CATASTROPHE LOSS FUND:			
General Government Operations (EA).....	\$ 20,129	\$ 22,794	\$ 23,470
Payment of Claim Settlements (EA).....	300,780	341,350	320,000
MEDICAL PROFESSIONAL LIABILITY CATASTROPHE LOSS FUND TOTAL.....	<u>\$ 320,909</u>	<u>\$ 364,144</u>	<u>\$ 343,470</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 180,710	\$ 287,565	\$ 317,134
SPECIAL FUNDS.....	4,063	4,998	5,445
FEDERAL FUNDS.....	66,303	123,067	145,256
AUGMENTATIONS.....	60,641	61,778	60,721
OTHER FUNDS.....	347,386	387,894	354,920
TOTAL ALL FUNDS.....	<u>\$ 659,103</u>	<u>\$ 865,302</u>	<u>\$ 883,476</u>

^a Actually appropriated as \$18,288,000. Amount shown is net of transfers to other State agencies.

^b Actually appropriated as \$5,771,000 for Commonwealth Technology Services and \$670,000 for Radio System Development.

^c Includes recommended supplemental appropriation of \$75,000.

^d Budget proposes to appropriate these funds previously shown as Other Funds.

^e Includes recommended supplemental appropriation of \$1,000,000.

^f Actually appropriated as \$1,955,000. Amount shown is net of transfers to other State agencies.

^g Actually appropriated as Communities That Care.

^h 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)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
EXECUTIVE DIRECTION							
GENERAL FUND.....	\$ 100,913	\$ 187,974	\$ 203,868	\$ 167,776	\$ 168,251	\$ 168,701	\$ 131,759
SPECIAL FUNDS.....	4,063	4,998	5,445	5,600	5,713	5,827	5,942
FEDERAL FUNDS.....	8,673	10,102	10,248	10,177	10,058	10,059	10,061
OTHER FUNDS.....	380,969	424,851	403,185	411,246	419,470	427,858	436,414
SUBCATEGORY TOTAL.....	\$ 494,618	\$ 627,925	\$ 622,746	\$ 594,799	\$ 603,492	\$ 612,445	\$ 584,176
LEGAL SERVICES							
GENERAL FUND.....	\$ 3,337	\$ 6,789	\$ 8,506	\$ 4,944	\$ 5,043	\$ 5,144	\$ 5,248
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	347	551	448	457	466	475	484
SUBCATEGORY TOTAL.....	\$ 3,684	\$ 7,340	\$ 8,954	\$ 5,401	\$ 5,509	\$ 5,619	\$ 5,732
PREVENTION AND ELIMINATION OF DISCRIMINATORY PRACTICES							
GENERAL FUND.....	\$ 10,936	\$ 12,786	\$ 13,111	\$ 11,655	\$ 11,888	\$ 12,127	\$ 12,370
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,479	3,100	3,100	3,100	3,100	3,100	3,100
OTHER FUNDS.....	7	70	75	77	79	81	83
SUBCATEGORY TOTAL.....	\$ 13,422	\$ 15,956	\$ 16,286	\$ 14,832	\$ 15,067	\$ 15,308	\$ 15,553
DEVELOPMENT OF ARTISTS AND AUDIENCES							
GENERAL FUND.....	\$ 13,021	\$ 15,046	\$ 16,581	\$ 16,605	\$ 16,629	\$ 16,654	\$ 16,679
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	621	1,375	1,175	1,175	1,175	1,175	1,175
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 13,642	\$ 16,421	\$ 17,756	\$ 17,780	\$ 17,804	\$ 17,829	\$ 17,854
CRIMINAL AND JUVENILE JUSTICE PLANNING AND COORDINATION							
GENERAL FUND.....	\$ 33,567	\$ 44,125	\$ 51,318	\$ 52,193	\$ 52,462	\$ 52,736	\$ 53,017
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	52,156	105,760	128,445	128,385	124,785	123,185	121,185
OTHER FUNDS.....	26,704	24,200	11,933	12,171	12,414	12,663	12,917
SUBCATEGORY TOTAL.....	\$ 112,427	\$ 174,085	\$ 191,696	\$ 192,749	\$ 189,661	\$ 188,584	\$ 187,119
REINTEGRATION OF JUVENILE DELINQUENTS							
GENERAL FUND.....	\$ 18,936	\$ 20,845	\$ 23,750	\$ 24,231	\$ 24,832	\$ 25,451	\$ 26,085
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,374	2,730	2,288	2,089	2,030	2,000	2,000
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 21,310	\$ 23,575	\$ 26,038	\$ 26,320	\$ 26,862	\$ 27,451	\$ 28,085

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
ALL PROGRAMS:							
GENERAL FUND.....	\$ 180,710	\$ 287,565	\$ 317,134	\$ 277,404	\$ 279,105	\$ 280,813	\$ 245,158
SPECIAL FUNDS.....	4,063	4,998	5,445	5,600	5,713	5,827	5,942
FEDERAL FUNDS.....	66,303	123,067	145,256	144,926	141,148	139,519	137,521
OTHER FUNDS.....	408,027	449,672	415,641	423,951	432,429	441,077	449,898
DEPARTMENT TOTAL.....	\$ 659,103	\$ 865,302	\$ 883,476	\$ 851,881	\$ 858,395	\$ 867,236	\$ 838,519

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 of State programs in order 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 as appropriate.

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 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 2000, 30 of 47 agencies with over 20,000 users have migrated to **Commonwealth Connect**. The bureau is also responsible for the development, implementation and on-going management and evolution of the **PA PowerPort**, Pennsylvania's State Government web portal.

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. The most current project underway is the Electronic Government Project which provides for the redesign of the Commonwealth's website to enable

Program: Executive Direction (continued)

businesses, local governments and citizens to participate in the benefits of electronic government applications. 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 Element: Fraud Detection and Prevention

The purpose of the Office of Inspector General is to detect, deter and eradicate fraud and waste of State resources, and misconduct by State employees; keep the Governor fully informed of problems and deficiencies in executive agencies; and help ensure that executive agencies operate efficiently, with integrity, and in accordance with applicable laws and regulations. The Office of Inspector General is designed to maintain public confidence, integrity and efficiency in State Government.

The Office of 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 Integrated Central Systems accounting module.

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 increased 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 will 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)

GENERAL FUND
Office of Administration
 \$ 249 —to continue current program.

Medicare Part B Penalties
 \$ -10 —to continue current program based on the latest enrollment projection.

Program: Executive Direction (continued)

Program Recommendations: (continued) This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Information Communication</p> <p>\$ 26,248 —PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides for communication facility infrastructure improvements, transition support and operations necessary for integrated communication network management. See the Program Revision following this program for additional information.</p> <p>—24,000 —nonrecurring projects.</p> <p><u>\$ 2,248</u> <i>Appropriation Increase</i></p>	<p>Integrated Criminal Justice System</p> <p>\$ 12,376 —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> <p>2,800 —PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides for the continued implementation, enhancement and maintenance of the Juvenile Tracking System. See the Program Revision following this program for additional information.</p> <p>—12,019 —nonrecurring costs.</p> <p><u>\$ 3,157</u> <i>Appropriation Increase</i></p>
<p>Technology Investment Program</p> <p>\$ 25,570 —PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides for special enterprise-wide projects, desktop computing and network administration and telecommunications projects. See the Program Revision following this program for additional information.</p> <p>—17,391 —nonrecurring projects.</p> <p><u>\$ 8,179</u> <i>Appropriation Increase</i></p>	<p>Office of Inspector General</p> <p>\$ 389 —to continue current program.</p>
<p>Commonwealth Technology Services</p> <p>\$ 1,979 —to continue current program.</p> <p>131 —Initiative — Statewide Public Safety Radio System. To provide administrative support for the operation of the Statewide Public Safety Radio System.</p> <p><u>\$ 2,110</u> <i>Appropriation Increase</i></p>	<p>Inspector General - Welfare Fraud</p> <p>\$ 676 —to continue current program.</p> <p>70 —Initiative — Expansion of Food Stamp Investigations. To provide administrative support to enhance food stamp investigations throughout the Commonwealth.</p> <p><u>\$ 746</u> <i>Appropriation Increase</i></p>
<p>Electronic Government</p> <p>\$ 10,000 —PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides for development of electronic government applications for Commonwealth agencies and administrative support. See the Program Revision following this program for additional information.</p> <p>—20,000 —nonrecurring projects.</p> <p><u>\$ -10,000</u> <i>Appropriation Decrease</i></p>	<p>Office of the Budget</p> <p>\$ 861 —to continue current program.</p>
<p>Communications Management</p> <p>\$ 1,869 —to continue current program.</p>	<p>Rural Development Council</p> <p>\$ 35 —to continue current program.</p>
<p>Integrated Management Systems</p> <p>\$ 46,470 —PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides resources for continued 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> <p>—35,408 —nonrecurring costs.</p> <p><u>\$ 11,062</u> <i>Appropriation Increase</i></p>	<p>Public Employee Retirement Commission</p> <p>\$ 19 —to continue current program.</p>
	<p>Legal Advocacy</p> <p>\$ -314 —nonrecurring project.</p>
	<p>Juvenile Accountability Incentive Program</p> <p>\$ -1,206 —nonrecurring project.</p>
	<p>Law Enforcement Activities</p> <p>\$ -3,500 —nonrecurring costs.</p>
	<p>MOTOR LICENSE FUND</p> <p>Office of the Budget</p> <p>\$ 99 —to continue current program.</p>
	<p>Statewide Public Safety Radio System</p> <p>\$ 254 —to continue current program.</p> <p>94 —Initiative — Statewide Public Safety Radio System. To provide administrative support for the operation of the Statewide Public Safety Radio System.</p> <p><u>\$ 348</u> <i>Appropriation Increase</i></p>

In addition, the Expansion of Food Stamp Investigations Initiative within this program recommends \$54,000 in Federal funds to provide administrative support to the Inspector General-Welfare Fraud.

All other appropriations are recommended at the current year funding levels.

Program: Executive Direction (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Office of Administration	\$ 8,115	\$ 8,285	\$ 8,534	\$ 8,705	\$ 8,879	\$ 9,057	\$ 9,238
Medicare Part B Penalties	470	460	450	450	440	440	430
Information Communication	0	24,000	26,248	0	0	0	0
Technology Investment Program	25,933	17,391	25,570	25,570	25,570	25,570	25,570
Commonwealth Technology Services	6,441	11,809	13,919	14,260	14,545	14,836	15,133
Electronic Government	0	20,000	10,000	10,000	10,000	10,000	10,000
Communications Management	0	2,655	4,524	4,614	4,706	4,800	4,896
Integrated Management Systems	0	35,408	46,470	41,457	40,260	38,889	0
Integrated Criminal Justice System	9,231	12,019	15,176	12,624	12,876	13,134	13,397
Office of Inspector General	2,434	2,869	3,258	3,323	3,389	3,457	3,526
Inspector General - Welfare Fraud	10,988	11,437	12,183	12,487	12,736	12,991	13,251
Office of the Budget	29,140	30,784	31,645	32,278	32,924	33,582	34,254
Audit of the Auditor General	50	0	0	100	0	0	100
Rural Development Council	178	183	218	222	226	231	236
Public Employee Retirement Commission ..	633	654	673	686	700	714	728
Office of School Victims Advocate	0	1,000	1,000	1,000	1,000	1,000	1,000
Legal Advocacy	300	314	0	0	0	0	0
Juvenile Accountability Incentive Program ..	0	1,206	0	0	0	0	0
National Convention and Conferences	7,000	0	0	0	0	0	0
Law Enforcement Activities	0	7,500	4,000	0	0	0	0
TOTAL GENERAL FUND	\$ 100,913	\$ 187,974	\$ 203,868	\$ 167,776	\$ 168,251	\$ 168,701	\$ 131,759
MOTOR LICENSE FUND:							
Office of the Budget	\$ 4,063	\$ 4,386	\$ 4,485	\$ 4,575	\$ 4,667	\$ 4,760	\$ 4,855
Statewide Public Safety Radio System	0	612	960	1,025	1,046	1,067	1,087
TOTAL MOTOR LICENSE FUND	\$ 4,063	\$ 4,998	\$ 5,445	\$ 5,600	\$ 5,713	\$ 5,827	\$ 5,942

Program Revision: Enhancing Information Technology to Better Serve Pennsylvania

Advances in information technology have the potential to dramatically alter the way in which the Commonwealth conducts its day-to-day business operations. These advancements promise increased efficiency in program operations, greater coordination and data sharing among government agencies and a higher level of service delivery that today's consumers have come to expect. This Program Revision builds upon previous Commonwealth investments in information technology by developing an integrated voter registration system, continuing the application of information technology to the field of criminal justice and developing enterprise-wide information technology. The result will be a government that is reengineered, robust and more responsive to Pennsylvania's consumers.

Integrated Voter Registration

There is perhaps no more important application of information technology in our society than to apply it to one of the tenets of democracy – citizen selection of government officials. The integrity of voter registration information must be ensured so that those who participate in the election process can do so in accordance with established voting laws and procedures. This Program Revision recommends \$8.5 million to develop an integrated voter registration system that will enhance the transfer of voter information between counties, reduce the amount of data entry involved in the voter registration process, decrease the likelihood of voter fraud and enable the generation of more accurate voter registration lists.

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 \$25.2 million in General and Motor License funds for the continued development and implementation of the State Police Incident Information Management System. Funding will support continued system integration and mobile office deployment that will enable Troopers to enter incident data and access criminal justice databases from their patrol vehicles, thereby saving significant administrative time that can be used for law enforcement functions. Funding also supports the first phase of dispatch center consolidation in which 81 Statewide dispatch locations will be consolidated to five regional locations. This consolidation will enable the application of state-of-the-art technologies, such as Computer-Aided Dispatch for dispatch automation, Geographic Information Systems/Automatic Vehicle Location for incident and Trooper location mapping, and Automated Call Distribution for decreased call response times.

In addition, this Program Revision recommends \$10 million in General and Motor License funds to redesign the State Police criminal history repository and expedite the processing of criminal background record checks. Funding will also enable the Commonwealth Law Enforcement Assistance Network to store photographs and fingerprints in electronic files for reference by local and nationwide law enforcement agencies, support State Police automation of administrative functions, such as the cadet application process, and place reference material on-line for instant access by Troopers in the field.

This Program Revision also recommends \$12.4 million to continue implementation and enhancement of the Integrated Criminal Justice Network (JNET) project. JNET 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. The Juvenile Court Judges Commission is concurrently developing the Juvenile Tracking System (JTS) with JNET. This Program Revision also recommends \$2.8 million to enhance and expand implementation of the JTS to 16 additional counties. The goal of the JTS is to provide accurate and timely juvenile delinquency information that will enable authorized users such as the State Police, local law enforcement agencies, the courts and juvenile probation authorities to share pertinent juvenile information via JNET.

Enterprise-wide Information Technology

This Program Revision provides \$140.6 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, this Program Revision recommends \$46.5 million in General funds for operational support and continued development of an Enterprise Resource Planning (ERP) tool. This Program Revision also recommends \$30.1 million in Motor License funds for agency-specific ERP system interfaces, information system enhancements and general ERP development. The Commonwealth has chosen to standardize its budgeting, accounting, payroll, personnel

Program Revision: Enhancing Information Technology to Better Serve Pennsylvania (continued)

and procurement functions on mySAP.com product software. This project will deploy mySAP.com ERP software, which incorporates best business practices from around the world, to improve the Commonwealth's internal business operations. In addition, this Program Revision recommends \$2.2 million for Treasury Department information system enhancements that will be required as a result of the new administrative software suite.

The Commonwealth is also transitioning to a Statewide integrated telecommunications network that supports voice, data and video communications. This Program Revision recommends \$26.2 million for equipment installation, facility infrastructure improvements, parallel network service and transition support services. The integrated network unites all telecommunication services for Commonwealth agencies under one telecommunications provider and offers competitive telecommunications rates and enhanced services for Commonwealth agencies.

E-government applications provide benefits for citizens and businesses as well as State Government itself. E-government applications replace paper-based processes with on-line, electronic transactions that are available 24 hours a day via the Pennsylvania PowerPort and decrease processing times and the resources required to process them. This Program Revision provides \$10 million to develop additional e-government applications for Commonwealth agencies. The Commonwealth has successfully leveraged

the development costs of these applications by developing general e-government modules which can then be modified for specific applications at significantly lower costs.

This Program Revision also provides \$25.6 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 and programs to enhance Commonwealth competitiveness in attracting and retaining qualified personnel.

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 stand-alone systems with a high-capacity, digital radio network in which all users can communicate with one another regardless of their location in the Commonwealth. Users of this radio system will share operational resources as well as expenses allowing the Commonwealth to reduce costs by avoiding duplicate facilities and maintenance contracts. This Program Revision recommends \$4.3 million and \$1.8 million, respectively, for the Board of Probation and Parole and Department of Military and Veterans Affairs to purchase base stations and mobile and portable equipment to begin radio system operations. Statewide operations will begin in December 2001.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Agencies participating in JNET							
Current	10	16	18	18	18	18	18
Program Revision	0	0	18	20	22	22	22
JNET User Population							
Current	140	140	140	800	800	800	800
Program Revision	0	0	2,000	4,000	6,000	7,000	8,000
Local agencies participating in JNET							
Current	2	20	20	20	20	20	20
Program Revision	0	0	42	56	67	67	67
State Police Dispatch Centers							
Current	81	81	81	81	81	81	81
Program Revision	0	0	65	33	5	5	5

Program Revision: Enhancing Information Technology to Better Serve Pennsylvania (continued)

Program Revision Recommendations: This budget recommends the following changes: (Dollar Amounts in Thousands)

	GENERAL FUND				MILITARY AND VETERANS AFFAIRS
	STATE				General Government Operations
\$ 8,500	Voter Registration		\$ 1,808		—to provide agency communications equipment for participation in the Statewide Public Safety Radio System.
	—to develop an integrated voter registration system.				
	STATE POLICE				MOTOR LICENSE FUND
\$ 1,875	CLEAN System		\$ 3,985		STATE POLICE
	—to redesign and automate the Criminal History Record Information System.				CLEAN System
8,064	—to implement the Incident Information Management System.		17,136		—to redesign and automate the Criminal History Record Information System.
432	—to automate administrative processes.		918		—to implement the Incident Information Management System.
941	—to enable the CLEAN system to store photograph and fingerprint files.		1,884		—to automate administrative processes.
\$ 11,312	<i>Appropriation Total</i>		\$ 23,923		—to enable the CLEAN system to store photograph and fingerprint files.
					<i>Appropriation Total</i>
	EXECUTIVE OFFICES				TRANSPORTATION
\$ 12,376	Integrated Criminal Justice Network		\$ 1,507		General Government Operations
	—for continued development, maintenance and administrative support of the integrated criminal justice network.				—to provide resources for information technology enhancements, agency interfaces with the Commonwealth's integrated software suite and general integrated software suite development.
2,800	—for the continued development, maintenance and implementation of the juvenile tracking system.				
\$ 15,176	<i>Appropriation Total</i>		\$ 12,054		Highway and Safety Improvements
					—to provide resources for information technology enhancements, agency interfaces with the Commonwealth's integrated software suite and general integrated software suite development.
\$ 46,470	Integrated Management Systems				Highway Maintenance
	—to provide administrative support and an integrated software suite for Commonwealth administrative functions.				—to provide resources for information technology enhancements, agency interfaces with the Commonwealth's integrated software suite and general integrated software suite development.
	TREASURY		\$ 13,560		
\$ 2,200	Computer Integration Program				Safety Administration and Licensing
	—to provide resources for information system enhancements required as a result of the Commonwealth's integrated software suite.				—to provide resources for information technology enhancements, agency interfaces with the Commonwealth's integrated software suite and general integrated software suite development.
	EXECUTIVE OFFICES				
\$ 26,248	Information Communication		\$ 3,013		
	—to provide an enhanced, integrated communication network.				
\$ 10,000	Electronic Government				
	—to provide administrative support and electronic government solutions.				
\$ 25,570	Technology Investment Program		\$ 205,606		<i>Program Revision Total</i>
	—for enterprise-wide information technology projects.				
	BOARD OF PROBATION AND PAROLE				
\$ 4,265	General Government Operations				
	—to provide agency communications equipment for participation in the Statewide Public Safety Radio System.				

Program Revision: Enhancing Information Technology to Better Serve Pennsylvania (continued)

Recommended Program Revision Costs by Appropriation:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Executive Offices							
Information Communication	\$ 0	\$ 0	\$ 26,248	\$ 0	\$ 0	\$ 0	\$ 0
Technology Investment Program	0	0	25,570	25,570	25,570	25,570	25,570
Electronic Government	0	0	10,000	10,000	10,000	10,000	10,000
Integrated Management Systems	0	0	46,470	41,457	40,260	38,889	0
Integrated Criminal Justice System	0	0	15,176	12,624	12,876	13,134	13,397
Treasury							
Computer Integration Program	0	0	2,200	0	0	0	0
Military and Veterans Affairs							
General Government Operations	0	0	1,808	0	0	0	0
Board of Probation and Parole							
General Government Operations	0	0	4,265	260	265	271	276
State							
Voter Registration	0	0	8,500	2,722	2,727	2,731	2,736
State Police							
CLEAN System	0	0	11,312	11,092	11,254	9,348	9,509
GENERAL FUND TOTAL	\$ 0	\$ 0	\$ 151,549	\$ 103,725	\$ 102,952	\$ 99,943	\$ 61,488
MOTOR LICENSE FUND:							
State Police							
CLEAN System	\$ 0	\$ 0	\$ 23,923	\$ 23,572	\$ 23,914	\$ 19,864	\$ 20,207
Transportation							
General Government Operations	0	0	1,507	0	0	0	0
Highway and Safety Improvements	0	0	12,054	0	0	0	0
Highway Maintenance	0	0	13,560	0	0	0	0
Safety Administration and Licensing	0	0	3,013	0	0	0	0
MOTOR LICENSE FUND TOTAL	\$ 0	\$ 0	\$ 54,057	\$ 23,572	\$ 23,914	\$ 19,864	\$ 20,207

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)

		Office of General Counsel
\$	517	—to continue current program.
	4,100	—Initiative — Case Management System. To develop and implement an intranet-based litigation management software system.
	-2,900	—nonrecurring project.
	1,717	<i>Appropriation Increase</i>

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
GENERAL FUND:							
Office of General Counsel	\$ 3,337	\$ 6,789	\$ 8,506	\$ 4,944	\$ 5,043	\$ 5,144	\$ 5,248

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 that might result in legal proceedings being initiated, and providing technical assistance to organizations, businesses, governmental bodies and individuals to promote voluntary compliance. Processing formal complaints continues to be the major activity of the commission.

Substantial resources are also devoted to providing technical assistance to anyone who requests guidance in avoiding illegal discriminatory acts. The commission coordinates the State's response to racial and ethnic tensions, and trains law enforcement officials and local government and community leaders on appropriate responses. The commission is also involved with major outreach programs to provide information to community leaders and public officials regarding the Pennsylvania Human Relations Act and its procedures.

The commission, in conjunction with the Pennsylvania Department of Education, is working with several urban school districts to improve the educational achievement of minority and disadvantaged students.

Federal funds are received for investigating complaints that are dual filed with the commission and with either the Equal Employment Opportunity Commission or the U.S. Department of Housing and Urban Development.

The commission's efforts to identify and remedy systemic discrimination continue in order to address the major problems of discrimination against whole classes of individuals. In addition, litigation remains a significant feature of the commission's workload.

The Latino Affairs Commission functions as an advocate for the Latino community. The commission advises the Governor on policies, procedures, legislation and regulations that impact 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 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.

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.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Human Relations Commission:							
Formal complaint investigation:							
Complaints pending at beginning of year	9,669	9,033	8,703	8,373	8,073	7,673	7,273
New complaints filed	6,569	6,570	6,570	6,600	6,600	6,600	6,600
Complaints closed	7,205	6,900	6,900	6,900	7,000	7,000	7,000
Complaints pending at end of year	9,033	8,703	8,373	8,073	7,673	7,273	6,873
Informal complaints received	38,609	40,000	40,000	40,000	40,000	40,000	40,000

Informal complaints received are lower in 1999-2000 than projected in last year's budget based on actual complaints received.

Program: Prevention and Elimination of Discriminatory Practices (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%;"></td> <td style="width: 10%;">Human Relations Commission</td> <td style="width: 80%;"></td> </tr> <tr> <td style="text-align: right;">\$ 406</td> <td></td> <td>—to continue current program.</td> </tr> <tr> <td style="text-align: right;">-1,790</td> <td></td> <td>—nonrecurring design and development costs related to the Case Tracking and Management System project.</td> </tr> <tr> <td style="text-align: right;">1,685</td> <td></td> <td>—Initiative — Case Tracking and Management System. To implement an agency-wide case processing, management, and tracking system for the investigation of complaints.</td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black;">\$ 301</td> <td></td> <td><i>Appropriation Increase</i></td> </tr> </table>		Human Relations Commission		\$ 406		—to continue current program.	-1,790		—nonrecurring design and development costs related to the Case Tracking and Management System project.	1,685		—Initiative — Case Tracking and Management System. To implement an agency-wide case processing, management, and tracking system for the investigation of complaints.	\$ 301		<i>Appropriation Increase</i>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"></td> <td style="width: 10%;">Latino Affairs Commission</td> <td style="width: 80%;"></td> </tr> <tr> <td style="text-align: right;">\$ 6</td> <td></td> <td>— to continue current program.</td> </tr> <tr> <td style="text-align: right;">\$ 10</td> <td></td> <td>African American Affairs Commission — to continue current program.</td> </tr> <tr> <td style="text-align: right;">\$ 8</td> <td></td> <td>Commission for Women — to continue current program.</td> </tr> </table>		Latino Affairs Commission		\$ 6		— to continue current program.	\$ 10		African American Affairs Commission — to continue current program.	\$ 8		Commission for Women — to continue current program.
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\$ 8		Commission for Women — to continue current program.																										

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Human Relations Commission	\$ 10,147	\$ 11,939	\$ 12,240	\$ 10,766	\$ 10,981	\$ 11,201	\$ 11,425
Latino Affairs Commission	197	222	228	233	238	243	248
African American Affairs Commission	336	351	361	368	375	383	391
Commission for Women	256	274	282	288	294	300	306
TOTAL GENERAL FUND	\$ 10,936	\$ 12,786	\$ 13,111	\$ 11,655	\$ 11,888	\$ 12,127	\$ 12,370

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 professionals in each program area such as: dance, folklore and music. 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 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.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
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	2,600	2,700	2,750	2,800	2,850
Awards made	1,382	1,390	1,400	1,410	1,420	1,430	1,440

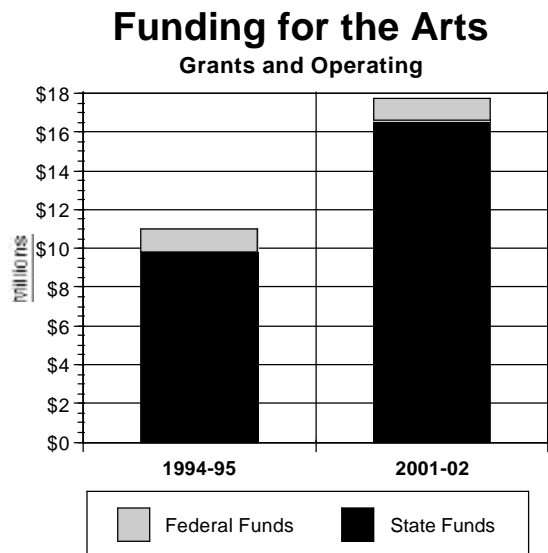
Attendance at supported events is estimated at 37,000,000 annually. Artists participating in projects are estimated at 124,000 annually.

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)

- \$ 135 **Council on the Arts**
— to continue current program.
- \$ 1,400 **Grants to the Arts**
— to continue current grant program.



Funding for the arts has increased since 1994-95 from \$11.0 million to \$17.8 million, a 62% increase.

Program: Development of Artists and Audiences (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Council on the Arts	\$ 1,023	\$ 1,046	\$ 1,181	\$ 1,205	\$ 1,229	\$ 1,254	\$ 1,279
Grants to the Arts	11,998	14,000	15,400	15,400	15,400	15,400	15,400
TOTAL GENERAL FUND	\$ 13,021	\$ 15,046	\$ 16,581	\$ 16,605	\$ 16,629	\$ 16,654	\$ 16,679

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 that 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 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 training program for deputy sheriffs that is financed through a surcharge on fees levied by the sheriffs for legal services executed. The 560-hour basic training provides for certification of deputy sheriffs and biennial continuing education provides re-certification. Under Act 10 of 1998, the commission conducted a training needs analysis, which is being utilized to expand and enhance training. Similarly, PCCD provides training and certification for constables. The 80-hour basic and up to 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. In addition, 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.

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 Victims of Juvenile Offenders Program supports 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 that allocates Federal reimbursements to states based on a formula of prior year payments to victims. The restricted revenue account is listed as Other Funds in the Executive Offices Summary by Fund and Appropriation.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Planning and Coordination							
Persons attending crime prevention course and inservice instructors' workshop	232	225	225	225	225	225	225
Communities implementing risk-focused juvenile delinquency prevention programs	30	56	56	56	56	56	56
New law enforcement officers certified as drug education and law enforcement program instructors	174	200	260	260	260	260	260
New deputy sheriffs certified through completion of training	107	240	240	240	240	240	240

The average Crime Victims Compensation Program reimbursement per claim in 1999-00 was \$2,446.

Persons attending crime prevention course and inservice instructors' workshops increase from the projections shown in last year's budget based on actual activity.

Communities implementing risk-focused juvenile delinquency prevention programs decrease from the projections shown in last year's budget based on actual activity.

New law enforcement officers certified as drug education and law enforcement program instructors and new deputy sheriffs certified through completion of training increase beginning in 2000-01 from the projections shown in last year's budget due to increased funding.

Program: Criminal and Juvenile Justice Planning and Coordination (continued)

Program Measures: (continued)	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Victim Services							
Crime Victims Compensation:							
New claims received, reviewed and							
accepted	2,594	3,373	3,541	3,718	3,903	4,098	4,302
Claims paid	1,912	2,314	2,841	3,018	3,203	3,398	3,602
Claims denied	496	528	554	582	611	641	973
Claims reopened for additional losses	781	800	820	840	860	880	900

New claims received, reviewed and accepted decrease in 1999-2000 from the projections shown in last year's budget based on actual activity.

Claims denied replaces Claims pending additional information, denied or closed without payment since claims are considered opened until either paid or denied.

Claims reopened for additional losses increase beginning in 1999-2000 due to increased public awareness for submitting partial claims.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Commission on Crime and Delinquency</p> <p>\$ -150 —nonrecurring information systems upgrade.</p> <p>10 —to continue current program.</p> <p>120 —Initiative — State Victim Assistance Academy. To support and expand training programs at the State Victim Assistance Academy.</p> <hr/> <p>\$ -20 <i>Appropriation Decrease</i></p>	<p>Partnership for Safe Children</p> <p>\$ 54 —to continue current program.</p> <p>1,786 —PRR — Protecting Public Safety. This Program Revision provides Communities That Care training and technical assistance, and planning, assessment and implementation grants to new and existing communities, enhances the programmatic interfaces between Communities That Care sites and America's Promise sites, and strengthens community collaboration efforts and administrative support. See the Program Revision following the Institutionalization of Offenders Program in the Department of Corrections for additional information.</p> <hr/> <p>\$ 1,840 <i>Appropriation Increase</i></p>	<p>Victims of Juvenile Crime</p> <p>\$ 5 —to continue current program.</p>	<p>Weed and Seed Program</p> <p>\$ 35 —to continue current program.</p> <p>1,135 —PRR — Protecting Public Safety. This Program Revision provides resources for juvenile violence prevention programs, litigation efforts against liquor and drug nuisance properties and administrative support. See the Program Revision following the Institutionalization of Offenders program in the Department of Corrections for additional information.</p> <hr/> <p>\$ 1,170 <i>Appropriation Increase</i></p>	<p>State Match for DCSI Subgrants</p> <p>\$ 998 —to provide the State match requirements for initial DCSI subgrants awarded to State agencies.</p>	<p>Drug Education and Law Enforcement</p> <p>\$ 1,200 —PRR — Protecting Public Safety. This program Revision provides for Drug Abuse Resistance Education training and programming. See the Program Revision following the Institutionalization of Offenders Program in the Department of Corrections for additional information.</p>	<p>Research-Based Violence Prevention</p> <p>\$ 2,000 —PRR — Protecting Public Safety. This Program Revision implements Communities That Care and other research-based delinquency and violence prevention programs in additional communities. See the Program Revision following the Institutionalization of Offenders program in the Department of Corrections for additional information.</p>
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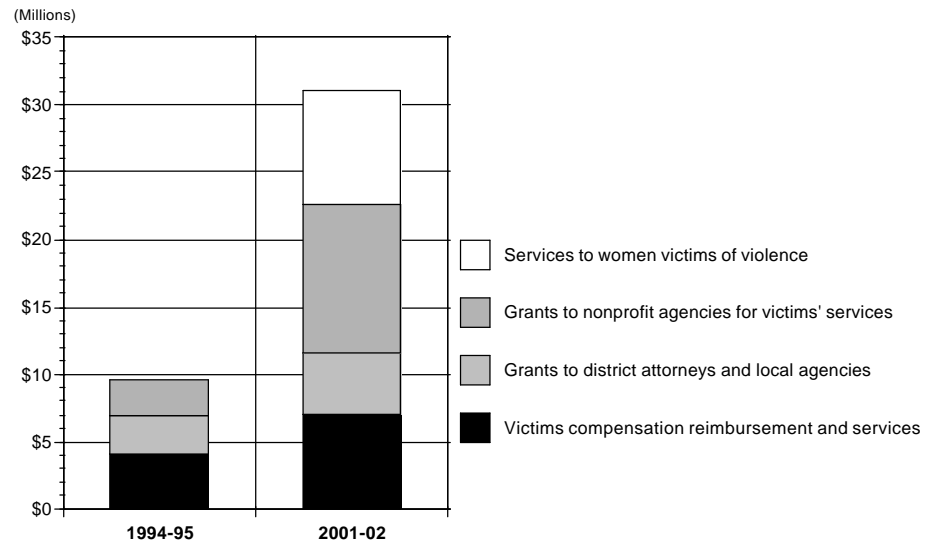
In addition, the State Victim Assistance Academy initiative within this program recommends \$60,000 in Federal funds to provide support and expand training programs at the State Victim Assistance Academy.

This budget also recommends \$7.2 million in Federal funds for the Partnership for Safe Children to provide nurse home visitation services designed to improve the health outcomes of high risk pregnancies.

All other appropriations are recommended at the current year funding level.

Program: Criminal and Juvenile Justice Planning and Coordination (continued)

Crime Victims' Compensation and Services



Funds for programs and services to crime victims have increased from \$9.6 million in 1994-95 to \$31.1 million in 2001-02 - an increase of 224%.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Commission on Crime and Delinquency	\$ 4,683	\$ 4,551	\$ 4,531	\$ 4,683	\$ 4,776	\$ 4,872	\$ 4,970
Partnership for Safe Children	1,000	3,330	5,170	5,763	5,833	5,904	5,978
Victims of Juvenile Crime	3,463	3,800	3,805	3,881	3,959	4,038	4,119
Weed and Seed Program	0	1,156	2,326	2,380	2,408	2,436	2,464
State Match for DCSI Subgrants	0	957	1,955	1,955	1,955	1,955	1,955
Intermediate Punishment Programs	5,331	5,331	5,331	5,331	5,331	5,331	5,331
Intermediate Punishment Drug and Alcohol Treatment	11,000	13,000	13,000	13,000	13,000	13,000	13,000
Drug Education and Law Enforcement	4,000	4,000	5,200	5,200	5,200	5,200	5,200
Research-Based Violence Prevention	4,090	8,000	10,000	10,000	10,000	10,000	10,000
TOTAL GENERAL FUND	\$ 33,567	\$ 44,125	\$ 51,318	\$ 52,193	\$ 52,462	\$ 52,736	\$ 53,017

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 2000, 364 probation officers have 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 526 specialized probation officers pursuant to JCJC standards. Of these positions, 250 are for school-based probation, 83 for community-based probation, 115 for intensive probation and 78 for aftercare services. The commission will continue this program during 2001-02.

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) decreased from 5,470 in 1998 to 4,953 in 1999. The arrest rate per 100,000 juveniles decreased from 412 in 1998 to 370 in 1999.

JCJC participates 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.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Children referred to court	39,769	40,823	40,823	40,823	40,823	40,823	40,823
Commitments as a percent of referrals	10.4%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
Children arrested for violent crime	5,470	4,953	4,953	4,953	4,953	4,953	4,953
Full-time equivalent juvenile probation officer positions	1,294	1,365	1,415	1,415	1,415	1,415	1,415

Program: Reintegration of Juvenile Delinquents (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$	295	Juvenile Court Judges Commission —to continue current program.	\$	356 2,000	Specialized Probation Services —to continue current grant program. —PRR — Protecting Public Safety. This Program Revision expands the availability of specialized probation services, including school-based probation, community-based probation, intensive probation and aftercare. See the Program Revision following the Institutionalization of Offenders program in the Department of Corrections for additional information.
\$	154 100	Improvement of Juvenile Probation Services —to continue current grant program. —Initiative — Expanded Graduate Education Program. To establish a graduate education program for juvenile probation officers in the northwest region of the State.			
\$	254	<i>Appropriation Increase</i>	\$	2,356	<i>Appropriation Increase</i>

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Juvenile Court Judges Commission	\$ 2,285	\$ 1,799	\$ 2,094	\$ 2,136	\$ 2,179	\$ 2,223	\$ 2,267
Improvement of Juvenile Probation Services	5,651	5,779	6,033	6,147	6,287	6,431	6,578
Specialized Probation Services	11,000	13,267	15,623	15,948	16,366	16,797	17,240
TOTAL GENERAL FUND	\$ 18,936	\$ 20,845	\$ 23,750	\$ 24,231	\$ 24,832	\$ 25,451	\$ 26,085



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)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Lieutenant Governor's Office.....	\$ 971 ^a	\$ 1,029	\$ 1,060
(A) Recycling Fund.....	95	95	95
Board of Pardons.....	306	348	356
Subtotal - State Funds.....	\$ 1,277	\$ 1,377	\$ 1,416
Subtotal - Augmentations.....	95	95	95
Total - General Government.....	\$ 1,372	\$ 1,472	\$ 1,511
STATE FUNDS.....	\$ 1,277	\$ 1,377	\$ 1,416
AUGMENTATIONS.....	95	95	95
GENERAL FUND TOTAL.....	\$ 1,372	\$ 1,472	\$ 1,511

^a Actually appropriated as \$719,000 for Lieutenant Governor's Office and \$252,000 for PRIME Implementation.

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
EXECUTIVE DIRECTION							
GENERAL FUND.....	\$ 1,277	\$ 1,377	\$ 1,416	\$ 1,444	\$ 1,473	\$ 1,502	\$ 1,533
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	95	95	95	95	95	95	95
SUBCATEGORY TOTAL.....	\$ 1,372	\$ 1,472	\$ 1,511	\$ 1,539	\$ 1,568	\$ 1,597	\$ 1,628
ALL PROGRAMS:							
GENERAL FUND.....	\$ 1,277	\$ 1,377	\$ 1,416	\$ 1,444	\$ 1,473	\$ 1,502	\$ 1,533
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	95	95	95	95	95	95	95
DEPARTMENT TOTAL.....	\$ 1,372	\$ 1,472	\$ 1,511	\$ 1,539	\$ 1,568	\$ 1,597	\$ 1,628

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)

\$ 31 **Lieutenant Governor's Office**
—to continue current program.

\$ 8 **Board of Pardons**
—to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Lieutenant Governor's Office	971	1,029	1,060	1,081	1,103	1,125	1,148
Board of Pardons	306	348	356	363	370	377	385
TOTAL GENERAL FUND	\$ 1,277	\$ 1,377	\$ 1,416	\$ 1,444	\$ 1,473	\$ 1,502	\$ 1,533



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.

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations.....	\$ 35,578	\$ 36,645	\$ 37,749
(F)Medicaid Fraud.....	3,089	3,261	3,348
(F)MAGLOCLLEN.....	4,481	4,997	5,067
(F)DCSI-Elder Abuse Investigation Training (EA).....	32	0	0
(F)DCSI-Elder Abuse Advisory Board (EA).....	23	20	25
(F)DCSI-Child Sexual Exploitation Prevention (EA).....	21	27	17
(A)Legal Fees Reimbursement.....	629	291	180
(A)Medicaid Fraud Reimbursements.....	100	100	100
(A)Grand Jury Reimbursements.....	518	545	550
(A)Collections - Legal.....	88	90	93
(A)Department Services.....	3,075	3,302	3,400
(A)Investigative Costs Reimbursements.....	21	68	23
(A)Environmental Crimes Investigative Costs.....	10	264	70
(A)Public Protection Law Enforcement.....	1,280	2,275	2,146
(A)Continuing Legal Education.....	3	10	10
Subtotal.....	\$ 48,948	\$ 51,895	\$ 52,778
(R)Office of Consumer Advocate.....	4,273	4,273	4,356
Computer Enhancements.....	1,190	790	816
Communications Assistance for Law Enforcement.....	766	0	0
Statewide Radio System.....	1,355	668	0
Drug Law Enforcement.....	19,749	21,264^a	22,334
(F)High Intensity Drug Trafficking Areas.....	2,633	2,936	3,068
(F)DCSI-Monitoring Prescription Abuse (EA).....	56	20	0
(F)DCSI-Financial Investigations and Money Laundering (EA).....	279	235	127
(F)DCSI-Pennsylvania Drug Law Enforcement Coordinating System.....	0	432	288
(F)DCSI-Computer Forensics (EA).....	0	489	326
(A)Recovery of Narcotics Investigation Overtime Costs.....	36	40	40
(A)Seized/Forfeited Property - State Court Awarded.....	597	996	507
(A)Asset Forfeitures.....	263	0	0
Subtotal.....	\$ 23,613	\$ 26,412	\$ 26,690
Local Drug Task Forces.....	8,166	8,488	8,788
(F)DCSI-Organized Crime and Drug Enforcement (EA).....	562	284	94
Drug Strike Task Force.....	1,712	1,710	1,700
Capital Appeals Case Unit.....	606	614	612
Charitable Nonprofit Conversions.....	903	927	949
Tobacco Law Enforcement.....	0	500	513
Subtotal - State Funds.....	\$ 70,025	\$ 71,606	\$ 73,461
Subtotal - Federal Funds.....	11,176	12,701	12,360
Subtotal - Augmentations.....	6,620	7,981	7,119
Subtotal - Restricted Revenues.....	4,273	4,273	4,356
Total - General Government.....	\$ 92,094	\$ 96,561	\$ 97,296
Grants and Subsidies:			
County Trial Reimbursement.....	\$ 150	\$ 150	\$ 150
STATE FUNDS.....	\$ 70,175	\$ 71,756	\$ 73,611
FEDERAL FUNDS.....	11,176	12,701	12,360
AUGMENTATIONS.....	6,620	7,981	7,119
RESTRICTED REVENUES.....	4,273	4,273	4,356
GENERAL FUND TOTAL.....	\$ 92,244	\$ 96,711	\$ 97,446

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00	2000-01	2001-02
	ACTUAL	AVAILABLE	BUDGET
<u>OTHER FUNDS:</u>			
GENERAL FUND:			
Seized/Forfeited Property - State Court Awarded.....	\$ 1,970	\$ 2,546	\$ 1,857
Seized/Forfeited Property - U.S. Department of Justice.....	795	395	165
Seized/Forfeited Property - PSP-OAG Agreement.....	2,343	1,473	1,500
OAG Investigative Funds - Outside Sources.....	2,835	3,391	3,493
Seized/Forfeited Property - U.S. Treasury Department.....	276	15	10
Public Protection Law Enforcement.....	1,548	2,733	2,513
Coroner's Education Board.....	72	20	21
GENERAL FUND TOTAL.....	<u>\$ 9,839</u>	<u>\$ 10,573</u>	<u>\$ 9,559</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 70,175	\$ 71,756	\$ 73,611
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	11,176	12,701	12,360
AUGMENTATIONS.....	6,620	7,981	7,119
RESTRICTED.....	4,273	4,273	4,356
OTHER FUNDS.....	9,839	10,573	9,559
TOTAL ALL FUNDS.....	<u>\$ 102,083</u>	<u>\$ 107,284</u>	<u>\$ 107,005</u>

^a Includes \$307,000 actually appropriated as part of the Executive Offices State Match for DCSI Subgrants appropriation.

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
PUBLIC PROTECTION AND LAW ENFORCEMENT							
GENERAL FUND.....	\$ 70,175	\$ 71,756	\$ 73,611	\$ 75,080	\$ 76,578	\$ 78,107	\$ 79,666
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	11,176	12,701	12,360	11,809	11,483	11,483	11,483
OTHER FUNDS.....	20,732	22,827	21,034	21,453	21,880	22,317	22,761
SUBCATEGORY TOTAL.....	\$ 102,083	\$ 107,284	\$ 107,005	\$ 108,342	\$ 109,941	\$ 111,907	\$ 113,910
ALL PROGRAMS:							
GENERAL FUND.....	\$ 70,175	\$ 71,756	\$ 73,611	\$ 75,080	\$ 76,578	\$ 78,107	\$ 79,666
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	11,176	12,701	12,360	11,809	11,483	11,483	11,483
OTHER FUNDS.....	20,732	22,827	21,034	21,453	21,880	22,317	22,761
DEPARTMENT TOTAL.....	\$ 102,083	\$ 107,284	\$ 107,005	\$ 108,342	\$ 109,941	\$ 111,907	\$ 113,910

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 within the Attorney General's Office to prosecute and investigate insurance fraud.

This program also provides legal services for governmental agencies of the Commonwealth, as required by Section 204 of the Commonwealth Attorneys Act. Specifically, the Attorney General's Office represents the Commonwealth in any action brought by or against the Commonwealth or its agencies, particularly tort claims.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Cases presented to the Statewide Investigating Grand Jury	75	75	75	75	75	75	75
Local drug task force arrests	5,582	5,600	6,200	6,600	6,600	6,600	6,600
Drug arrests resulting from Grand Jury presentments	224	225	230	230	230	230	230
Review of estates, charities, nonprofits, and healthcare conversions for compliance with rules and regulations	2,278	2,750	2,750	2,750	2,750	2,750	2,750
Consumer complaints concerning business practices investigated and mediated	29,593	30,000	30,000	30,000	30,000	30,000	30,000
Dollar value of recoupment to consumers regarding business practices (in thousands)	\$8,178	\$8,400	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500
Rate cases argued by the Consumer Advocate	16	16	N/A	N/A	N/A	N/A	N/A
Other cases argued by the Consumer Advocate	217	217	N/A	N/A	N/A	N/A	N/A
Antitrust investigations opened with or without court action	24	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)	\$1,868	\$6,700	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

The review of estates, charities, nonprofits, and healthcare conversions for compliance with rules and regulations increased from those shown in last year's budget because mergers of charitable nonprofits increased at a higher rate than expected.

The dollar value of recoupment to consumers regarding business practices increased from the projections shown in last year's budget because of additional resources applied to health care cases.

Rate cases argued by the Consumer Advocate increased in 1999-00 from the projection shown in last year's budget because of a change in priority of the cases.

Antitrust cases: dollars paid or agreed to be paid to the Commonwealth or directly to its citizens increased in 1999-00 and 2000-01 from projections shown in last year's budget because of several very large settlements.

Program: Public Protection and Law Enforcement (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>General Government Operations —nonrecurring information technology. —to replace drug forfeiture augmentations. —to continue current program.</p> <p><u> </u> \$ -661 356 1,409</p> <p><u> </u> \$ 1,104 <i>Appropriation Increase</i></p> <p>Computer Enhancements —to continue current program.</p> <p>\$ 26</p> <p>Statewide Radio System —nonrecurring radio equipment.</p> <p>\$ -668</p> <p>Drug Law Enforcement —to continue current program. —to replace drug forfeiture augmentations.</p> <p><u> </u> \$ 581 489</p> <p><u> </u> \$ 1,070 <i>Appropriation Increase</i></p>	<p>Local Drug Task Forces —to continue current program.</p> <p>\$ 300</p> <p>Drug Strike Task Force —nonrecurring information technology.</p> <p>\$ -10</p> <p>Capital Appeals Case Unit —nonrecurring travel costs.</p> <p>\$ -2</p> <p>Charitable Nonprofit Conversions —to continue current program.</p> <p>\$ 22</p> <p>Tobacco Law Enforcement —to continue current program.</p> <p>\$ 13</p>
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County Trial Reimbursement is recommended at the current year funding level.

This budget also recommends the following for the Office of the Consumer Advocate from its restricted account in the General Fund.

<p>Office of the Consumer Advocate —to continue current program.</p> <p>\$ 83</p>

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
General Government Operations	\$ 35,578	\$ 36,645	\$ 37,749	\$ 38,504	\$ 39,274	\$ 40,059	\$ 40,860
Computer Enhancements	1,190	790	816	832	849	866	883
Communications Assistance for Law Enforcement	766	0	0	0	0	0	0
Statewide Radio System	1,355	668	0	0	0	0	0
Drug Law Enforcement	19,749	21,264	22,334	22,781	23,237	23,702	24,176
Local Drug Task Forces	8,166	8,488	8,788	8,964	9,143	9,326	9,513
Drug Strike Task Force	1,712	1,710	1,700	1,734	1,769	1,804	1,840
Capital Appeals Case Unit	606	614	612	624	636	649	662
Charitable Nonprofit Conversions	903	927	949	968	987	1,007	1,027
Tobacco Law Enforcement	0	500	513	523	533	544	555
County Trial Reimbursement	150	150	150	150	150	150	150
TOTAL GENERAL FUND	<u>\$ 70,175</u>	<u>\$ 71,756</u>	<u>\$ 73,611</u>	<u>\$ 75,080</u>	<u>\$ 76,578</u>	<u>\$ 78,107</u>	<u>\$ 79,666</u>



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)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
<u>GENERAL FUND:</u>			
<i>General Government:</i>			
Auditor General's Office.....	\$ 42,748	\$ 44,030	\$ 45,351
(A) Reimbursement Auditing Services.....	7,001	6,924	6,310
(A) Sale of Autos.....	367	0	0
Subtotal.....	<u>\$ 50,116</u>	<u>\$ 50,954</u>	<u>\$ 51,661</u>
Board of Claims.....	1,561	1,619	1,683
Subtotal - State Funds.....	<u>\$ 44,309</u>	<u>\$ 45,649</u>	<u>\$ 47,034</u>
Subtotal - Augmentations.....	7,368	6,924	6,310
Total - General Government.....	<u>\$ 51,677</u>	<u>\$ 52,573</u>	<u>\$ 53,344</u>
<i>Grants and Subsidies:</i>			
Municipal Pension System State Aid.....	\$ 113	\$ 424	\$ 479
STATE FUNDS.....	\$ 44,422	\$ 46,073	\$ 47,513
AUGMENTATIONS.....	7,368	6,924	6,310
GENERAL FUND TOTAL.....	<u>\$ 51,790</u>	<u>\$ 52,997</u>	<u>\$ 53,823</u>
<u>OTHER FUNDS:</u>			
MUNICIPAL PENSION AID FUND:			
Municipal Pension Aid.....	<u>\$ 132,070</u>	<u>\$ 140,000</u>	<u>\$ 140,000</u>
SUPPLEMENTAL STATE ASSISTANCE FUND:			
Supplemental State Assistance (EA).....	<u>\$ 113</u>	<u>\$ 424</u>	<u>\$ 479</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 44,422	\$ 46,073	\$ 47,513
SPECIAL FUNDS.....	0	0	0
AUGMENTATIONS.....	7,368	6,924	6,310
OTHER FUNDS.....	132,183	140,424	140,479
TOTAL ALL FUNDS.....	<u>\$ 183,973</u>	<u>\$ 193,421</u>	<u>\$ 194,302</u>

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
AUDITING							
GENERAL FUND.....	\$ 44,309	\$ 45,649	\$ 47,034	\$ 47,975	\$ 48,934	\$ 49,913	\$ 50,912
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	7,368	6,924	6,310	6,310	6,310	6,310	6,310
SUBCATEGORY TOTAL.....	\$ 51,677	\$ 52,573	\$ 53,344	\$ 54,285	\$ 55,244	\$ 56,223	\$ 57,222
MUNICIPAL PENSION SYSTEMS							
GENERAL FUND.....	\$ 113	\$ 424	\$ 479	\$ 479	\$ 479	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	132,183	140,424	140,479	143,279	146,135	148,569	151,540
SUBCATEGORY TOTAL.....	\$ 132,296	\$ 140,848	\$ 140,958	\$ 143,758	\$ 146,614	\$ 148,569	\$ 151,540
ALL PROGRAMS:							
GENERAL FUND.....	\$ 44,422	\$ 46,073	\$ 47,513	\$ 48,454	\$ 49,413	\$ 49,913	\$ 50,912
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	139,551	147,348	146,789	149,589	152,445	154,879	157,850
DEPARTMENT TOTAL.....	\$ 183,973	\$ 193,421	\$ 194,302	\$ 198,043	\$ 201,858	\$ 204,792	\$ 208,762

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
\$ 1,321 —to continue current program.

Board of Claims
\$ 64 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Auditor General's Office	\$ 42,748	\$ 44,030	\$ 45,351	\$ 46,258	\$ 47,183	\$ 48,127	\$ 49,090
Board of Claims	1,561	1,619	1,683	1,717	1,751	1,786	1,822
TOTAL GENERAL FUND	\$ 44,309	\$ 45,649	\$ 47,034	\$ 47,975	\$ 48,934	\$ 49,913	\$ 50,912

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 employes 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)

\$	55	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.
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Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Municipal Pension System State Aid	\$ 113	\$ 424	\$ 479	\$ 479	\$ 479	\$ 0	\$ 0
	\$ 113	\$ 424	\$ 479	\$ 479	\$ 479	\$ 0	\$ 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.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	2001-02 State Funds (in thousands)
Enhancing Information Technology to Better Serve Pennsylvania		
	Computer Integration Program.....	\$ 2,200
<p>This Program Revision provides resources for information system enhancements to interface with the Commonwealth's administrative software suite. This is part of the \$205.6 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.</p>		
	Department Total.....	\$ <u>2,200</u>

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00	2000-01	2001-02
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
<i>General Government:</i>			
State Treasurer's Office.....	\$ 22,127	\$ 22,791	\$ 23,475
(A)Expenses - Unemployment Compensation.....	1,798	1,612	1,950
(A)Fees - Federal Savings Bonds.....	20	25	25
(A)Receipts From SWIF.....	271	250	280
(A)Sale of Automobiles.....	12	2	2
(A)Unclaimed Property - Reimbursement.....	9,113	7,000	8,477
(A)Photocopy Services.....	2	5	5
(A)Unclaimed Property - Reference Fees.....	4	5	5
(A)Administrative Fees.....	524	555	554
(A)Miscellaneous.....	8	2	2
Homeowners Property Tax Rebates.....	0	250	0
Computer Integration Program.....	0	0	2,200
Subtotal.....	\$ 33,879	\$ 32,497	\$ 36,975
Board of Finance and Revenue.....	2,211	2,289	2,334
Tuition Account Program Advertising.....	2,000	2,000	2,000
Intergovernmental Organizations.....	813	846	866
Publishing Monthly Statements.....	30	25	25
Replacement Checks (EA).....	1,360	1,500	1,500
Subtotal.....	\$ 6,414	\$ 6,660	\$ 6,725
Subtotal - State Funds.....	\$ 28,541	\$ 29,701	\$ 32,400
Subtotal - Augmentations.....	11,752	9,456	11,300
Total - General Government.....	\$ 40,293	\$ 39,157	\$ 43,700
<i>Grants and Subsidies:</i>			
Law Enforcement Officers Death Benefits.....	\$ 665	\$ 675	\$ 702
<i>Debt Service:</i>			
Loan and Transfer Agents.....	\$ 48	\$ 225	\$ 225
Tax Note Expenses.....	0	170	0
Commercial Paper Costs (EA).....	0	800	0
General Obligation Debt Service.....	626,915	381,932	725,383
(A)Student Community Building Fees.....	854	1,000	1,000
Subtotal - State Funds.....	\$ 626,963	\$ 383,127	\$ 725,608
Subtotal - Augmentations.....	854	1,000	1,000
Total - Debt Service.....	\$ 627,817	\$ 384,127	\$ 726,608
STATE FUNDS.....	\$ 656,169	\$ 413,503	\$ 758,710
AUGMENTATIONS.....	12,606	10,456	12,300
GENERAL FUND TOTAL.....	\$ 668,775	\$ 423,959	\$ 771,010
MOTOR LICENSE FUND:			
<i>General Government:</i>			
Administration Refunding Liquid Fuels Tax.....	\$ 402	\$ 459	\$ 448
Replacement Checks - Motor License Fund (EA).....	46	300	300
Total - General Government.....	\$ 448	\$ 759	\$ 748
<i>Refunds:</i>			
Refunding Liquid Fuels Tax - Agriculture.....	\$ 3,511	\$ 4,500	\$ 4,500
Refunding Liquid Fuels Tax - State Share.....	650	650	650
Refunding Emergency Liquid Fuels Tax.....	0	1	1

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
Refunding Liquid Fuels Tax - Political Subdivisions.....	3,000	3,200	3,800
Refunding Liquid Fuels Tax - Volunteer Services.....	287	450	450
Refunding Marine Liquid Fuels Tax - Boat Fund.....	2,065	3,000	3,000
Total - Refunds.....	\$ 9,513	\$ 11,801	\$ 12,401
Debt Service:			
Capital Debt Transportation Projects.....	\$ 98,126	\$ 79,841	\$ 59,113
General Obligation Debt Service.....	1,327	1,442	1,473
(R)Capital Bridge Debt (EA).....	28,552	26,341	24,220
(R)Aviation Debt Service.....	27	27	27
Loan and Transfer Agent.....	38	135	135
Subtotal - State Funds.....	\$ 99,491	\$ 81,418	\$ 60,721
Subtotal - Restricted Revenues.....	28,579	26,368	24,247
Total - Debt Service.....	\$ 128,070	\$ 107,786	\$ 84,968
STATE FUNDS.....	\$ 109,452	\$ 93,978	\$ 73,870
RESTRICTED REVENUES.....	28,579	26,368	24,247
MOTOR LICENSE FUND TOTAL.....	\$ 138,031	\$ 120,346	\$ 98,117
<u>BANKING DEPARTMENT FUND:</u>			
<i>General Government:</i>			
Replacement Checks-Banking Department Fund (EA).....	\$ 0	\$ 5	\$ 5
<u>BOAT FUND:</u>			
<i>General Government:</i>			
Replacement Checks-Boat Fund (EA).....	\$ 0	\$ 5	\$ 5
<u>FARM PRODUCTS SHOW FUND:</u>			
<i>General Government:</i>			
Replacement Checks-Farm Products Show Fund (EA).....	\$ 0	\$ 5	\$ 5
<u>FISH FUND:</u>			
<i>General Government:</i>			
Replacement Checks-Fish Fund (EA).....	\$ 0	\$ 5	\$ 5
<u>GAME FUND:</u>			
<i>General Government:</i>			
Replacement Checks-Game Fund (EA).....	\$ 0	\$ 5	\$ 5
<u>LOTTERY FUND:</u>			
<i>General Government:</i>			
Replacement Checks-Lottery Fund (EA).....	\$ 18	\$ 100	\$ 100
<u>MILK MARKETING FUND:</u>			
<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

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
MILK MARKETING FUND TOTAL	\$ 0	\$ 10	\$ 10
<u>RACING FUND:</u>			
<i>General Government:</i>			
Replacement Checks-Racing Fund (EA).....	\$ 17	\$ 10	\$ 10
<u>OTHER FUNDS:</u>			
TUITION PAYMENT FUND:			
Tuition Account Program Bureau.....	\$ 1,033	\$ 1,227	\$ 1,560
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 656,169	\$ 413,503	\$ 758,710
SPECIAL FUNDS.....	109,487	94,123	74,015
AUGMENTATIONS.....	12,606	10,456	12,300
RESTRICTED.....	28,579	26,368	24,247
OTHER FUNDS.....	1,033	1,227	1,560
TOTAL ALL FUNDS	\$ 807,874	\$ 545,677	\$ 870,832

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
DISBURSEMENT							
GENERAL FUND.....	\$ 28,363	\$ 29,505	\$ 32,211	\$ 30,568	\$ 31,136	\$ 31,714	\$ 32,305
SPECIAL FUNDS.....	9,996	12,705	13,294	13,303	13,312	13,321	13,331
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	12,785	10,683	12,860	12,891	12,923	12,955	12,988
SUBCATEGORY TOTAL.....	\$ 51,144	\$ 52,893	\$ 58,365	\$ 56,762	\$ 57,371	\$ 57,990	\$ 58,624
INTERSTATE RELATIONS							
GENERAL FUND.....	\$ 813	\$ 846	\$ 866	\$ 866	\$ 866	\$ 866	\$ 866
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 813	\$ 846	\$ 866	\$ 866	\$ 866	\$ 866	\$ 866
DEBT SERVICE							
GENERAL FUND.....	\$ 626,993	\$ 383,152	\$ 725,633	\$ 770,834	\$ 807,290	\$ 821,233	\$ 830,426
SPECIAL FUNDS.....	99,491	81,418	60,721	50,056	40,135	22,353	21,993
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	29,433	27,368	25,247	24,874	24,426	25,000	25,347
SUBCATEGORY TOTAL.....	\$ 755,917	\$ 491,938	\$ 811,601	\$ 845,764	\$ 871,851	\$ 868,586	\$ 877,766
ALL PROGRAMS:							
GENERAL FUND.....	\$ 656,169	\$ 413,503	\$ 758,710	\$ 802,268	\$ 839,292	\$ 853,813	\$ 863,597
SPECIAL FUNDS.....	109,487	94,123	74,015	63,359	53,447	35,674	35,324
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	42,218	38,051	38,107	37,765	37,349	37,955	38,335
DEPARTMENT TOTAL.....	\$ 807,874	\$ 545,677	\$ 870,832	\$ 903,392	\$ 930,088	\$ 927,442	\$ 937,256

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 State boards and commissions including several public retirement boards.

The Board of Finance and Revenue operates within this program by reviewing and deciding appeals concerning settlements made between the Commonwealth and persons, associations and corporations. The board also administers the program for refunding certain monies to which the Commonwealth is not legally entitled.

Under the provisions of Act 101 of 1976, as amended by Act 161 of 1994, 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 two programs for postsecondary educational savings. The Tuition Account Guaranteed Savings Program provides for the advance purchase of tuition credits for students who will attend institutions of higher education. Savings for higher education may also be made through the Tuition Account Investment Program. A cash flow statement for this fund is included in the Special Funds Appendix.

The State Treasurer is responsible for the administration and enforcement of the Commonwealth's abandoned and unclaimed property laws. Tangible and intangible property that has remained unclaimed for 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.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Disbursements issued:							
Disbursements — checks	6,317,110	8,700,000	6,400,000	N/A	N/A	N/A	N/A
Disbursements — wires	3,628,047	3,600,000	3,600,000	N/A	N/A	N/A	N/A
Interest earned on investments:							
General Fund (in thousands)	\$ 177,404	\$ 195,000	\$ 184,000	N/A	N/A	N/A	N/A
Motor License Fund (in thousands)	41,319	44,407	41,960	N/A	N/A	N/A	N/A
TOTAL	\$ 218,723	\$ 239,407	\$ 225,960	N/A	N/A	N/A	N/A

Disbursements — checks for 2000-01 is higher than shown in last year's budget due to checks issued for the Homeowners Property Tax Rebates Program.

Interest earned on investments in the General Fund in 1999-00 is higher than shown in last year's budget due to the continued strength of the economy which increased revenue as well as a favorable interest rate environment.

Program: Disbursement (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>GENERAL FUND State Treasurer's Office \$ 684 —to continue current program.</p> <p>Homeowners Property Tax Rebates \$ -250 —nonrecurring appropriation.</p> <p>Computer Integration Program \$ 2,200 —PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides resources for information system enhancements required as a result of the Commonwealth's integrated software suite. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.</p>	<p>Board of Finance and Revenue \$ 45 —to continue current program.</p> <p>Law Enforcement Officers Death Benefits \$ 27 —to continue current program.</p> <p>MOTOR LICENSE FUND Administration Refunding Liquid Fuels Tax \$ -11 —based on most recent projection of program requirements.</p> <p>Refunding Liquid Fuels Tax - Political Subdivisions \$ 600 —to continue current program.</p>
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All other appropriations are recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
State Treasurer's Office	\$ 22,127	\$ 22,791	\$ 23,475	\$ 23,945	\$ 24,424	\$ 24,912	\$ 25,410
Homeowners Property Tax Rebates	0	250	0	0	0	0	0
Computer Integration Program	0	0	2,200	0	0	0	0
Board of Finance and Revenue	2,211	2,289	2,334	2,381	2,429	2,478	2,528
Tuition Account Program Advertising	2,000	2,000	2,000	2,040	2,081	2,122	2,165
Replacement Checks (EA)	1,360	1,500	1,500	1,500	1,500	1,500	1,500
Law Enforcement Officers Death Benefits ...	665	675	702	702	702	702	702
TOTAL GENERAL FUND	\$ 28,363	\$ 29,505	\$ 32,211	\$ 30,568	\$ 31,136	\$ 31,714	\$ 32,305
MOTOR LICENSE FUND:							
Administration Refunding Liquid Fuels Tax .	\$ 402	\$ 459	\$ 448	\$ 457	\$ 466	\$ 475	\$ 485
Replacement Checks - Motor License Fund (EA)	46	300	300	300	300	300	300
Refunding Liquid Fuels Tax - Agriculture	3,511	4,500	4,500	4,500	4,500	4,500	4,500
Refunding Liquid Fuels Tax - State Share ...	650	650	650	650	650	650	650
Refunding Emergency Liquid Fuels Tax	0	1	1	1	1	1	1
Refunding Liquid Fuels Tax - Political Subdivisions	3,000	3,200	3,800	3,800	3,800	3,800	3,800
Refunding Liquid Fuels Tax - Volunteer Services	287	450	450	450	450	450	450
Refunding Marine Liquid Fuels Tax - Boat Fund	2,065	3,000	3,000	3,000	3,000	3,000	3,000
TOTAL MOTOR LICENSE FUND	\$ 9,961	\$ 12,560	\$ 13,149	\$ 13,158	\$ 13,167	\$ 13,176	\$ 13,186
BANKING DEPARTMENT FUND:							
Replacement Checks-Banking Department Fund (EA)	\$ 0	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
BOAT FUND:							
Replacement Checks-Boat Fund (EA)	\$ 0	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5

Program: Disbursement (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
FARM PRODUCTS SHOW FUND:							
Replacement Checks-Farm Products							
Show Fund (EA)	\$ 0	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
FISH FUND:							
Replacement Checks-Fish Fund (EA)	\$ 0	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
GAME FUND:							
Replacement Checks-Game Fund (EA)	\$ 0	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
LOTTERY FUND:							
Replacement Checks — Lottery							
Fund (EA)	\$ 18	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
MILK MARKETING FUND:							
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
RACING FUND:							
Replacement Checks — Racing							
Fund (EA)	\$ 17	\$ 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)

\$ 20 **Intergovernmental Organizations**
—to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Intergovernmental Organizations	\$ 813	\$ 846	\$ 866	\$ 866	\$ 866	\$ 866	\$ 866

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
 \$ 342,481 —the net effect on principal and interest requirements and other costs relating to the General Fund debt service.

MOTOR LICENSE FUND
 \$ -20,697 —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)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Publishing Monthly Statements	\$ 30	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25
Loan and Transfer Agents	48	225	225	225	225	225	225
Tax Note Expenses	0	170	0	0	0	0	0
Commercial Paper Costs (EA)	0	800	0	0	0	0	0
General Obligation Debt Service	626,915	381,932	725,383	770,584	807,040	820,983	830,176
TOTAL GENERAL FUND	\$ 626,993	\$ 383,152	\$ 725,633	\$ 770,834	\$ 807,290	\$ 821,233	\$ 830,426
MOTOR LICENSE FUND:							
Capital Debt Transportation Projects	\$ 98,126	\$ 79,841	\$ 59,113	\$ 40,965	\$ 30,704	\$ 13,012	\$ 12,683
General Obligation Debt Service	1,327	1,442	1,473	8,956	9,296	9,206	9,175
Loan and Transfer Agent	38	135	135	135	135	135	135
TOTAL MOTOR LICENSE FUND	\$ 99,491	\$ 81,418	\$ 60,721	\$ 50,056	\$ 40,135	\$ 22,353	\$ 21,993



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	2001-02 State Funds <small>(in thousands)</small>
Expanding Home and Community-Based Services		
GENERAL FUND		
	General Government Operations - Lottery Fund.....	\$ 99
TOBACCO SETTLEMENT FUND		
	Community Care.....	\$ 18,155
LOTTERY FUND		
	PENNCARE.....	\$ 2,200

This Program Revision recommends approximately \$18.3 million in State funds and \$3.6 million in Federal funds to implement community long-term care system reforms, including home and community-based services for additional older Pennsylvanians as an alternative to nursing home care, and \$2.2 million in Lottery funds to implement direct careworker recruitment and retention initiatives. This is part of the \$155.7 million Expanding Home and Community-Based Services 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.....	\$ 20,454
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Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations - Lottery Programs.....	\$ 15,388^a	\$ 16,440^b	\$ 18,799
(F)Programs for the Aging - Title III - Administration.....	1,817	1,817	1,817
(F)Programs for the Aging - Title V - Administration.....	173	173	173
(F)Medical Assistance - Administration.....	256	862	1,000
(F)DCSI - Older Adult Protective Services Act (EA).....	82	50	0
(F)DCSI - Older Domestic Violence Victims Cross Training (EA).....	0	53	53
(F)Medical Assistance Support.....	5,585	0	0
(A)Day Care Licensure.....	7	7	7
(A)Intergovernmental Transfer - Administration.....	4,918	179	194
(A)American Cancer Society Grant.....	0	9	0
Subtotal.....	<u>\$ 28,226</u>	<u>\$ 19,590</u>	<u>\$ 22,043</u>
Medical Assistance Support.....	316	0	0
Subtotal - State Funds.....	\$ 15,704	\$ 16,440	\$ 18,799
Subtotal - Federal Funds.....	7,913	2,955	3,043
Subtotal - Augmentations.....	4,925	195	201
Total - General Government.....	<u>\$ 28,542</u>	<u>\$ 19,590</u>	<u>\$ 22,043</u>
Grants and Subsidies:			
Family Caregiver.....	\$ 10,371	\$ 11,461	\$ 11,748
Pre-Admission Assessment.....	5,091	5,804	5,904
(F)Pre-Admission Assessment.....	7,031	10,280	10,707
(A)Intergovernmental Transfer.....	689	712	3,177
Subtotal.....	<u>\$ 12,811</u>	<u>\$ 16,796</u>	<u>\$ 19,788</u>
Grants to Senior Centers.....	2,000	2,000	2,000
Legal Advocacy for Older Pennsylvanians.....	750	600	0
Alzheimer's Outreach.....	200^c	200	250
Subtotal - State Funds.....	\$ 18,412	\$ 20,065	\$ 19,902
Subtotal - Federal Funds.....	7,031	10,280	10,707
Subtotal - Augmentations.....	689	712	3,177
Total - Grants and Subsidies.....	<u>\$ 26,132</u>	<u>\$ 31,057</u>	<u>\$ 33,786</u>
STATE FUNDS.....	\$ 34,116	\$ 36,505	\$ 38,701
FEDERAL FUNDS.....	14,944	13,235	13,750
AUGMENTATIONS.....	5,614	907	3,378
GENERAL FUND TOTAL.....	<u>\$ 54,674</u>	<u>\$ 50,647</u>	<u>\$ 55,829</u>
LOTTERY FUND:			
General Government:			
Auditor General's Audit Cost.....	\$ 0	\$ 105^d	\$ 105
Grants and Subsidies:			
PENNCARE.....	\$ 186,452	\$ 192,579	\$ 203,016
(F)Programs for the Aging - Title III.....	46,237	52,000	52,000
(F)Programs for the Aging - Nutrition.....	6,885	8,500	8,500
(F)Programs for the Aging - Title V - Employment.....	4,912	5,250	5,250
(F)Programs for the Aging - Title VII - Elder Rights Protection.....	845	2,500	2,500
(F)Medical Assistance - Attendant Care.....	886	1,501	2,061
(F)Medical Assistance Support.....	0	7,769 ^e	7,456
(F)Emergency Cooling Program.....	1,079	0	0
(A)Intergovernmental Transfer - MA Support.....	0	7,518	6,769

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
Subtotal.....	\$ 247,296	\$ 277,617	\$ 287,552
Pharmaceutical Assistance Fund.....	260,000	290,000	359,000
Subtotal - State Funds.....	\$ 446,452	\$ 482,579	\$ 562,016
Subtotal - Federal Funds.....	60,844	77,520	77,767
Subtotal - Augmentations.....	0	7,518	6,769
Total - Grants and Subsidies.....	\$ 507,296	\$ 567,617	\$ 646,552
STATE FUNDS.....	\$ 446,452	\$ 482,684	\$ 562,121
FEDERAL FUNDS.....	60,844	77,520	77,767
AUGMENTATIONS.....	0	7,518	6,769
LOTTERY FUND TOTAL.....	\$ 507,296	\$ 567,722	\$ 646,657
<u>TOBACCO SETTLEMENT FUND:</u>			
<i>Grants and Subsidies:</i>			
Community Care.....	\$ 0	\$ 10,240 ^f	\$ 33,166
(F)Medical Assistance - Community Care.....	0	10,240 ^g	6,542
Subtotal - State Funds.....	\$ 0	\$ 10,240	\$ 33,166
Subtotal - Federal Funds.....	0	10,240	6,542
Total - Grants and Subsidies.....	\$ 0	\$ 20,480	\$ 39,708
STATE FUNDS.....	\$ 0	\$ 10,240	\$ 33,166
FEDERAL FUNDS.....	0	10,240	6,542
TOBACCO SETTLEMENT FUND TOTAL.....	\$ 0	\$ 20,480	\$ 39,708
<u>OTHER FUNDS:</u>			
PHARMACEUTICAL ASSISTANCE FUND:			
Contracted Services (EA).....	\$ 0 ^h	\$ 0 ^h	\$ 0 ^h
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 34,116	\$ 36,505	\$ 38,701
SPECIAL FUNDS.....	446,452	492,924	595,287
FEDERAL FUNDS.....	75,788	100,995	98,059
AUGMENTATIONS.....	5,614	8,425	10,147
TOTAL ALL FUNDS.....	\$ 561,970	\$ 638,849	\$ 742,194

^a 1999-00 Actual includes \$316,000 actually appropriated as part of Medical Assistance Support.

^b Includes \$18,000 actually appropriated as a part of State Match for DCSI Subgrants in the Executive Offices.

^c Actually appropriated in the Department of Health.

^d Includes recommended supplemental appropriation of \$105,000.

^e Actually appropriated as \$22,457,000. Amount shown is the best current estimate of the amount available for 2000-01. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.

^f Includes recommended supplemental appropriation of \$10,240,000.

^g Includes recommended supplemental appropriation of \$10,240,000.

^h Not added to the total to avoid double counting: 1999-00 Actual is \$269,829,000, 2000-01 Available is \$305,207,000 and 2001-02 Budget is \$366,657,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
COMMUNITY SERVICES FOR OLDER PENNSYLVANIANS							
GENERAL FUND.....	\$ 34,116	\$ 36,505	\$ 38,701	\$ 36,952	\$ 37,294	\$ 37,641	\$ 37,996
SPECIAL FUNDS.....	186,452	202,924	236,287	244,323	266,059	265,775	271,707
FEDERAL FUNDS.....	75,788	100,995	98,059	100,409	102,059	100,415	100,510
OTHER FUNDS.....	5,614	8,425	10,147	10,151	10,155	10,159	10,163
SUBCATEGORY TOTAL.....	\$ 301,970	\$ 348,849	\$ 383,194	\$ 391,835	\$ 415,567	\$ 413,990	\$ 420,376
PHARMACEUTICAL ASSISTANCE							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	260,000	290,000	359,000	420,000	472,000	530,000	595,000
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 260,000	\$ 290,000	\$ 359,000	\$ 420,000	\$ 472,000	\$ 530,000	\$ 595,000
ALL PROGRAMS:							
GENERAL FUND.....	\$ 34,116	\$ 36,505	\$ 38,701	\$ 36,952	\$ 37,294	\$ 37,641	\$ 37,996
SPECIAL FUNDS.....	446,452	492,924	595,287	664,323	738,059	795,775	866,707
FEDERAL FUNDS.....	75,788	100,995	98,059	100,409	102,059	100,415	100,510
OTHER FUNDS.....	5,614	8,425	10,147	10,151	10,155	10,159	10,163
DEPARTMENT TOTAL.....	\$ 561,970	\$ 638,849	\$ 742,194	\$ 811,835	\$ 887,567	\$ 943,990	\$ 1,015,376

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 relocating to 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 assists them in

securing and managing 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.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Pennsylvanians 60 years and older	2,410,244	2,418,305	2,426,365	2,434,425	2,442,500	2,450,550	2,487,385
Pennsylvanians 85 years and older	269,596	278,999	288,400	297,800	307,200	316,600	330,650
Persons served who are clinically nursing home eligible	14,649	14,650	15,722	18,030	19,140	19,525	19,685

Program: Community Services for Older Pennsylvanians (continued)

Program Measures: (continued)	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Persons receiving assistance:							
Congregate meals	143,700	143,000	143,000	143,000	143,000	143,000	143,000
Transportation (complete round trips)	81,200	82,400	92,000	95,000	98,100	99,300	99,600
Personal assistance services	1,680	1,840	2,050	2,120	2,190	2,220	2,230
Attendant care services	349	415	550	550	550	550	550
Home delivered meals	45,300	45,300	50,500	52,200	53,900	54,600	54,800
Home support services	11,000	11,300	12,600	13,000	13,400	13,600	13,700
Personal care services	23,900	23,900	26,600	27,500	28,400	28,800	28,900
Protective services	9,400	9,400	9,400	9,400	9,400	9,400	9,400
Units of services delivered:							
Employment services (unsubsidized job placements)	1,900	1,900	1,900	1,900	1,900	1,900	1,900
Attendant care services (client hours)	256,000	452,185	561,000	561,000	561,000	561,000	561,000
Home support services (client hours)	362,000	362,000	383,100	417,600	431,100	436,500	437,800
Personal care services (client hours)	3,174,000	3,174,000	3,358,500	3,662,000	3,780,000	3,827,000	3,839,000
Families receiving caregiver support	6,259	6,585	6,585	6,585	6,585	6,585	6,585
Pre-Admission Assessment:							
Initial Assessments	56,616	64,900	88,370	88,370	88,370	88,370	88,370
Referrals to nursing homes	36,800	42,185	61,870	60,070	60,070	60,070	60,070
Referrals for community services	16,170	18,500	26,500	28,300	28,300	28,300	28,300

Persons receiving attendant care services increased from those shown in last year's budget due to more persons transitioning from the Department of Public Welfare's Attendant Care Program than anticipated.

Persons receiving home support services decreased from those shown in last year's budget due to increased demand for personal assistance and consumer reimbursement services.

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.

Attendant care client hours decreased in 1999-2000 from those shown in last year's budget due to consumers utilizing fewer hours of service than anticipated.

Pre-Admission assessments and referrals for 2000-01 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)

<p>GENERAL FUND: General Government Operations - Lottery Programs</p> <p>\$ 327 —to continue current program.</p> <p>1,775 —reserve for nonrecurring costs associated with transferring to a new PACE administrative contract.</p> <p>225 —to continue implementation of the automated reporting system.</p> <p>100 —to update educational materials.</p> <p>50 —replace prior year Federal DCSI - Older Adult Protective Services Act grant.</p> <p>-217 —nonrecurring initiative for development of a long-term care consumer information system.</p> <p>99 —PRR — Expanding Home and Community-Based Services. This Program Revision provides administrative resources to implement community long-term care system reforms. See the Program Revision following the Human Services program in the Department of Public Welfare for additional information.</p> <hr/> <p>\$ 2,359 <i>Appropriation Increase</i></p>	<p>Family Caregiver —to continue current program.</p> <p>Pre-Admission Assessment —to continue current program.</p> <p>Legal Advocacy for Older Pennsylvanians —nonrecurring project.</p> <p>Alzheimer's Outreach —reflects transfer of funds from the PENNCARE appropriation in the Lottery Fund.</p>	<p>\$ 287</p> <p>\$ 100</p> <p>\$ -600</p> <p>\$ 50</p>
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Program: Community Services for Older Pennsylvanians (continued)

Program Recommendations: (continued) This budget recommends the following changes: (Dollar Amounts in Thousands)

	LOTTERY FUND: PENNCARE		TOBACCO SETTLEMENT FUND: Community Care
\$ 4,977	—to continue current program.	\$ 4,771	—to provide older Pennsylvanians with opportunities for alternatives to nursing home care.
2,243	—to provide Attendant Care services to an additional 135 recipients.	18,155	—PRR — Expanding Home and Community-Based Services. This Program Revision provides community long-term care system reforms, including home and community-based services for additional older Pennsylvanians. See the Program Revision following the Human Services program in the Department of Public Welfare for additional information.
-50	—reflects transfer of funds to the Alzheimer's Outreach appropriation in the General Fund.		
867	—Initiative — Expanded Older Adult Protective Services. To investigate an increased number of suspected elder abuse reports.		
200	—Initiative — APPRISE Program Enhancements. To provide health insurance counseling to additional older consumers.		
2,200	—PRR — Expanding Home and Community-Based Services. This Program Revision implements direct careworker recruitment and retention initiatives. See the Program Revision following the Human Services program in the Department of Public Welfare for additional information.	\$ 22,926	<i>Appropriation Increase</i>
\$ 10,437 <i>Appropriation Increase</i>			

All other appropriations are recommended at the current year funding levels.

In addition, the Expanding Home and Community-Based Services Program Revision following the Human Services program in the Department of Public Welfare provides \$3.6 million in Federal funds to expand the availability of home and community-based services for older Pennsylvanians.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
General Government Operations -							
Lottery Programs	\$ 15,388	\$ 16,440	\$ 18,799	\$ 17,050	\$ 17,392	\$ 17,739	\$ 18,094
Medical Assistance Support	316	0	0	0	0	0	0
Family Caregiver	10,371	11,461	11,748	11,748	11,748	11,748	11,748
Pre-Admission Assessment	5,091	5,804	5,904	5,904	5,904	5,904	5,904
Grants to Senior Centers	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Legal Advocacy for Older Pennsylvanians ..	750	600	0	0	0	0	0
Alzheimer's Outreach	200	200	250	250	250	250	250
TOTAL GENERAL FUND	\$ 34,116	\$ 36,505	\$ 38,701	\$ 36,952	\$ 37,294	\$ 37,641	\$ 37,996
LOTTERY FUND:							
Auditor General's Audit Cost	\$ 0	\$ 105	\$ 105	\$ 105	\$ 105	\$ 105	\$ 105
PENNCARE	186,452	192,579	203,016	207,998	213,323	218,795	224,417
TOTAL LOTTERY FUND	\$ 186,452	\$ 192,684	\$ 203,121	\$ 208,103	\$ 213,428	\$ 218,900	\$ 224,522
TOBACCO SETTLEMENT FUND:							
Community Care	\$ 0	\$ 10,240	\$ 33,166	\$ 36,220	\$ 52,631	\$ 46,875	\$ 47,185

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 drug 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 name drug is equal to or less than the least expensive generic drug. If claimants choose not to accept the generic drug, 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.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Comprehensive PACE Program:							
Older Pennsylvanians enrolled (average)	221,366	213,500	207,000	199,500	193,000	186,800	180,800
Total prescriptions per year	9,089,385	9,585,750	9,991,400	10,349,600	10,515,200	10,683,500	10,854,500
Average PACE cost per prescription	\$34.05	\$37.32	\$40.82	\$44.69	\$48.93	\$53.57	\$58.66
PACE Needs Enhancement Tier (PACENET):							
Older Pennsylvanians enrolled (average)	18,932	22,175	25,500	28,200	29,700	30,700	31,800
Total prescriptions per year	441,016	589,900	745,500	907,000	1,025,700	1,141,750	1,270,900
Average PACENET cost per prescription	\$34.85	\$38.11	\$41.67	\$45.62	\$49.95	\$54.69	\$59.88

Total PACENET prescriptions per year increased from those shown in last year's budget due to increased utilization of prescriptions by enrollees.

Program: Pharmaceutical Assistance (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

LOTTERY FUND:
Pharmaceutical Assistance Fund
 \$ 69,000 —to provide for increases in the cost per prescription and number of prescriptions per person.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
LOTTERY FUND:							
Pharmaceutical Assistance Fund	\$ 260,000	\$ 290,000	\$ 359,000	\$ 420,000	\$ 472,000	\$ 530,000	\$ 595,000



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.

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00	2000-01	2001-02
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
General Government:			
General Government Operations	\$ 26,854	\$ 28,636	\$ 31,575
(F)Plant Pest Detection System.....	160	219	445
(F)Poultry Grading Service.....	141	169	169
(F)Medicated Feed Mill Inspection.....	16	19	20
(F)Donated Foods.....	206	280	280
(F)Household Commodity Program.....	1,791	2,000	2,000
(F)Pesticide Control.....	630	820	704
(A)Fertilizer and Soil Inspections.....	191	194	197
(A)Lime Inspection.....	34	33	33
(A)Feed Inspections and Registrations.....	484	455	469
(A)Milk Plant Inspections.....	28	25	25
(A)Mailing List Production.....	10	9	9
(A)Special Conferences and Projects.....	10	10	10
(A)Administrative Services.....	501	520	594
(A)Pesticide Regulation.....	1,126	1,677	1,512
(A)Training Rides and Attractions.....	12	8	8
(A)Chesapeake Bay Project.....	78	69	70
(A)Dog Law Administration Support.....	58	91	0
(A)Food Site Inspection.....	29	28	28
(A)Farm Account Reimbursement.....	5	3	6
(A)Nutrient Management Certification Fees.....	7	5	6
(A)Apiary Registration and Fees.....	6	6	10
(A)Biomass Energy.....	19	30	20
(A)Plant Pest Management.....	0	44	0
Subtotal.....	\$ 32,396	\$ 35,350	\$ 38,190
Farmers' Market Food Coupons	711	1,500	1,500
(F)Farmers' Market Food Coupons.....	1,444	2,000	2,200
Agricultural Conservation Easement Administration	396	634	653
(F)Farmland Protection.....	1,025	1,500	1,500
(A)Reimbursement from PennDOT.....	24	50	53
Agricultural Research	3,245	3,500	3,610
Agricultural Promotion, Education, and Exports	1,018	1,159	1,217
(A)International Promotion.....	84	78	78
(A)Aquaculture Promotion.....	0	31	31
Hardwoods Research and Promotion	673	763	788
Farm Safety	115	115	118
Nutrient Management	340	369	381
Subtotal - State Funds.....	\$ 33,352	\$ 36,676	\$ 39,842
Subtotal - Federal Funds.....	5,413	7,007	7,318
Subtotal - Augmentations.....	2,706	3,366	3,159
Total - General Government.....	\$ 41,471	\$ 47,049	\$ 50,319
Grants and Subsidies:			
Animal Health Commission	\$ 3,750	\$ 4,125	\$ 4,250
Veterinary Distance Learning	0	100	0
Animal Indemnities	300	300	300
Transfer to State Farm Products Show Fund	800	1,000	1,000
Payments to Pennsylvania Fairs	4,097	4,200	4,400
Livestock Show	177	187	206
Open Dairy Show	120	187	206
Junior Dairy Show	43	45	50
4-H Club Shows	48	50	55
Horse Racing Promotion	0	10,000	0
State Food Purchase	15,464^a	16,000	16,450
Product Promotion and Marketing	722	900	950

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00	2000-01	2001-02
	ACTUAL	AVAILABLE	BUDGET
(F)Market Improvement.....	75	150	150
Future Farmers.....	58	63	69
Transfer to Nutrient Management Fund.....	3,280	3,280	3,280
Local Soil and Water Districts.....	999	1,150	1,210
Agriculture Drought Disaster Relief.....	5,000	0	0
Emergency Drought Relief.....	60,000	0	0
Crop Insurance (6/01).....	5,600	0	0
Plum Pox Virus - Fruit Tree Indemnities.....	0	3,100	3,100
Commercial and Orchard Fruit Tree Indemnities (6/01).....	2,000	0	0
Transfer to Agricultural Conservation Easement Purchase Fund.....	20,000	0	0
Agricultural Easement Purchase Program.....	43,000	0	0
Subtotal - State Funds.....	\$ 165,458	\$ 44,687	\$ 35,526
Subtotal - Federal Funds.....	75	150	150
Total - Grants and Subsidies.....	\$ 165,533	\$ 44,837	\$ 35,676
STATE FUNDS.....	\$ 198,810	\$ 81,363	\$ 75,368
FEDERAL FUNDS.....	5,488	7,157	7,468
AUGMENTATIONS.....	2,706	3,366	3,159
GENERAL FUND TOTAL.....	\$ 207,004	\$ 91,886	\$ 85,995
<u>FARM PRODUCTS SHOW FUND:</u>			
<i>General Government:</i>			
General Operations (EA).....	\$ 4,728	\$ 5,080	\$ 4,855
(A)Transfer from General Fund.....	0 ^b	0 ^b	0 ^b
Subtotal - State Funds.....	\$ 4,728	\$ 5,080	\$ 4,855
Total - General Government.....	\$ 4,728	\$ 5,080	\$ 4,855
STATE FUNDS.....	\$ 4,728	\$ 5,080	\$ 4,855
FARM PRODUCTS SHOW FUND TOTAL.....	\$ 4,728	\$ 5,080	\$ 4,855
<u>ENVIRONMENTAL STEWARDSHIP FUND:</u>			
<i>Grants and Subsidies:</i>			
Transfer to Agricultural Conservation Easement Purchase (EA).....	\$ 0	\$ 19,828	\$ 20,550
<u>RACING FUND:</u>			
<i>General Government:</i>			
State Racing Commissions (EA).....	\$ 6,453	\$ 7,160	\$ 7,297
Equine Toxicology and Research Laboratory (EA).....	1,614	2,013	2,073
Payments to Pennsylvania Fairs - Administration (EA).....	173	189	195
Total - General Government.....	\$ 8,240	\$ 9,362	\$ 9,565
<i>Grants and Subsidies:</i>			
Transfer to General Fund (EA).....	\$ 10,213	\$ 11,478	\$ 10,169
RACING FUND TOTAL.....	\$ 18,453	\$ 20,840	\$ 19,734
<u>OTHER FUNDS:</u>			
AGRICULTURAL CONSERVATION EASEMENT PURCHASE FUND:			
Purchase of County Easements (EA).....	\$ 27,832	\$ 42,000	\$ 52,000
Supplemental Agricultural Conservation Easement Purchase.....	12,371	23,000	7,629

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
AGRICULTURAL CONSERVATION EASEMENT PURCHASE FUND TOTAL.....	\$ 40,203	\$ 65,000	\$ 59,629
GENERAL FUND:			
Agriculture Farm Operations.....	\$ 9	\$ 20	\$ 10
Recovery on Lost Commodities.....	0	7	0
Dog Law Administration.....	4,805	5,585	5,753
Farm Loan Program.....	124	25	11
Pesticide Regulation.....	1,858	2,661	2,741
Public Weightmasters.....	0	20	0
Fertilizer Research.....	8	0	0
Plant Pest Management.....	447	617	449
National School Lunch.....	63	0	0
GENERAL FUND TOTAL.....	<u>\$ 7,314</u>	<u>\$ 8,935</u>	<u>\$ 8,964</u>
NUTRIENT MANAGEMENT FUND:			
Planning, Loans, Grants, and Technical Assistance (EA).....	\$ 1,201	\$ 4,469	\$ 5,063
RACING FUND:			
Sire Stakes Fund.....	\$ 4,885	\$ 3,801	\$ 4,220
Breeders' Fund.....	6,515	9,100	9,979
RACING FUND TOTAL.....	<u>\$ 11,400</u>	<u>\$ 12,901</u>	<u>\$ 14,199</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 198,810	\$ 81,363	\$ 75,368
SPECIAL FUNDS.....	23,181	45,748	45,139
FEDERAL FUNDS.....	5,488	7,157	7,468
AUGMENTATIONS.....	2,706	3,366	3,159
OTHER FUNDS.....	60,118	91,305	87,855
TOTAL ALL FUNDS.....	<u><u>\$ 290,303</u></u>	<u><u>\$ 228,939</u></u>	<u><u>\$ 218,989</u></u>

^a Actually appropriated as \$1,000,000 for Emergency Food Assistance Development and \$14,464,000 for State Food Purchase.

^b Not added to the total to avoid double counting: 1999-00 Actual is \$800,000, 2000-01 Available is \$1,000,000, and 2001-02 Budget is \$1,000,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
PROTECTION AND DEVELOPMENT OF AGRICULTURAL INDUSTRIES							
GENERAL FUND.....	\$ 182,635	\$ 53,863	\$ 57,418	\$ 54,626	\$ 55,399	\$ 56,187	\$ 56,992
SPECIAL FUNDS.....	4,901	25,097	25,600	24,475	24,479	4,107	4,111
FEDERAL FUNDS.....	2,253	3,157	3,268	3,268	3,268	3,268	3,268
OTHER FUNDS.....	51,300	81,563	76,745	68,358	58,579	38,462	38,425
SUBCATEGORY TOTAL.....	\$ 241,089	\$ 163,680	\$ 163,031	\$ 150,727	\$ 141,725	\$ 102,024	\$ 102,796
HORSE RACING REGULATION							
GENERAL FUND.....	\$ 0	\$ 10,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	18,280	20,651	19,539	21,580	21,576	21,571	21,566
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	11,400	12,901	14,199	14,199	14,199	14,199	14,199
SUBCATEGORY TOTAL.....	\$ 29,680	\$ 43,552	\$ 33,738	\$ 35,779	\$ 35,775	\$ 35,770	\$ 35,765
EMERGENCY FOOD ASSISTANCE							
GENERAL FUND.....	\$ 16,175	\$ 17,500	\$ 17,950	\$ 17,950	\$ 17,950	\$ 17,950	\$ 17,950
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	3,235	4,000	4,200	4,200	4,200	4,200	4,200
OTHER FUNDS.....	124	207	70	71	72	73	74
SUBCATEGORY TOTAL.....	\$ 19,534	\$ 21,707	\$ 22,220	\$ 22,221	\$ 22,222	\$ 22,223	\$ 22,224
ALL PROGRAMS:							
GENERAL FUND.....	\$ 198,810	\$ 81,363	\$ 75,368	\$ 72,576	\$ 73,349	\$ 74,137	\$ 74,942
SPECIAL FUNDS.....	23,181	45,748	45,139	46,055	46,055	25,678	25,677
FEDERAL FUNDS.....	5,488	7,157	7,468	7,468	7,468	7,468	7,468
OTHER FUNDS.....	62,824	94,671	91,014	82,628	72,850	52,734	52,698
DEPARTMENT TOTAL.....	\$ 290,303	\$ 228,939	\$ 218,989	\$ 208,727	\$ 199,722	\$ 160,017	\$ 160,785

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 provides funds for the operation of the Farm Show Complex in Harrisburg.

Programs designed to promote agriculture and food products and commodities include those for 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.

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 4-H 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 of 1999 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, provided \$20 million in 1999-00 from the General Fund and will provide about \$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 unit within the Department of Agriculture, coordinates the Pennsylvania Animal Diagnostic Laboratory System, which is composed of the diagnostic laboratory resources of the Department of Agriculture, Pennsylvania State University and the University of Pennsylvania School of Veterinary Medicine. 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. The laboratories also provide testing for State and Federal

Program: Protection and Development of Agricultural Industries (continued)

regulatory programs and the export testing of live animals and genetic materials.

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 997,240 dogs and 2,322 kennels are currently licensed 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 53,192 food establishments were inspected in 1999-00. 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 about 20,000 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 24,114 inspections in 1999-00 and expects to perform 26,000 in 2000-01. The Amusement Ride Division completed 695 inspections in 1999-00 and expects to perform 750 in 2000-01.

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 1999-00, 1,965 agribusinesses were inspected and 42,300 feed, fertilizer and lime samples were analyzed. In addition, 4,388 samples of seed were tested. The department inspects stone fruit trees for the plum pox virus to control the disease and reduce the potential harm to the fruit industry.

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 1999-00, 1,674 dealer and 3,219 nursery and greenhouse inspections were conducted, involving more than 30,000 acres and over 20,000,000 square feet under glass of plant material; and 450 inspections were conducted for the issuance of 4,306 certificates for the exportation of plant material. The department also inspected 1,800 apiaries involving 11,278 colonies of bees in 1999-00 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 1999-00, 700 pesticide dealers and 5,800 pesticide application businesses were licensed, 35,000 pesticide applicators certified, 2,400 service technicians registered, more than 11,000 pesticide products registered, 888 inspections and investigations conducted, and 66 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:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Agribusiness Development:							
Dollar volume of food and agricultural exports (millions)	\$960	\$1,030	\$1,135	\$1,220	\$1,300	\$1,500	\$1,700
Trade leads generated	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Additional farm acreage preserved under perpetual easements	27,874	32,921	24,500	22,500	22,500	22,500	22,500
Animal Health:							
Animals examined to determine disease (thousands)	1,000	1,000	600	600	600	600	600
Animals quarantined (thousands)	1	1	1	1	1	1	1
Animals destroyed (thousands)	100	1	1	1	1	1	1
Consumable Agricultural Products:							
Consumer commodities inspected (thousands)	\$73,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000

Additional farm acreage preserved under perpetual easements increased from the projection shown in last year's budget because of the accelerated closing of sales of development rights.

Animals quarantined decreased from those shown in last year's budget due to the improved control of pseudorabies.

Animals destroyed increased in 1999-00 from the projection shown in last year's budget because of an unusual mycoplasma gallisepticum infection in fertilized eggs.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>GENERAL FUND General Government Operations \$ -150 —nonrecurring grant to the Penn State Law Library. 941 —to continue current program. 203 —to provide laboratory equipment. 717 —to expand testing to control the plum pox virus that affects fruit trees. 1,228 —to monitor for the presence of the West Nile virus in mosquitoes, birds and other animals. <hr/> \$ 2,939 <i>Appropriation Increase</i></p> <p>Agricultural Conservation Easement Administration \$ 19 —to continue current program.</p> <p>Agricultural Research \$ 110 —to continue current program.</p> <p>Agricultural Promotion, Education, and Exports \$ 58 —to continue current program.</p> <p>Hardwoods Research and Promotion \$ 25 —to continue current program.</p> <p>Farm Safety \$ 3 —to continue current program.</p> <p>Nutrient Management \$ 12 —to continue current program.</p>	<p>\$ 125</p> <p>\$ -100</p> <p>\$ 200</p> <p>\$ 19</p> <p>\$ 19</p> <p>\$ 5</p> <p>\$ 5</p> <p>\$ 50</p> <p>\$ 6</p> <p>\$ 60</p>	<p>Animal Health Commission —to continue current program.</p> <p>Veterinary Distance Learning —nonrecurring project.</p> <p>Payments to Pennsylvania Fairs —to continue current program.</p> <p>Livestock Show —to continue current program.</p> <p>Open Dairy Show —to continue current program.</p> <p>Junior Dairy Show —to continue current program.</p> <p>4-H Club Shows —to continue current program.</p> <p>Product Promotion and Marketing —to continue current program.</p> <p>Future Farmers —to continue current program.</p> <p>Local Soil and Water Districts —to continue current program.</p>
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All other General Fund Appropriations are recommended at the current year funding levels.

Program: Protection and Development of Agricultural Industries (continued)

Program Recommendations: (continued) This budget recommends the following changes: (Dollar Amounts in Thousands)

	ENVIRONMENTAL STEWARDSHIP FUND		RACING FUND	
	Transfer to Agricultural Conservation Easement Purchase Fund (EA)		Payments to Pennsylvania Fairs - Administration (EA)	
\$	722	—to continue current program.	\$	6
				—to continue current program.
	STATE FARM PRODUCTS SHOW FUND			
	General Operations (EA)			
\$	-440	—nonrecurring horse stalls, material handler, trucks, and miscellaneous equipment.		
	215	—to continue current program.		
\$	-225	<i>Appropriation Decrease</i>		

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
GENERAL FUND:							
General Government Operations	\$ 26,854	\$ 28,636	\$ 31,575	\$ 31,748	\$ 32,383	\$ 33,031	\$ 33,692
Agricultural Conservation Easement Administration	396	634	653	666	679	693	707
Agricultural Research	3,245	3,500	3,610	3,682	3,756	3,831	3,908
Agricultural Promotion, Education, and Exports	1,018	1,159	1,217	1,241	1,266	1,291	1,317
Hardwoods Research and Promotion	673	763	788	804	820	836	853
Farm Safety	115	115	118	120	122	124	126
Nutrient Management	340	369	381	389	397	405	413
Animal Health Commission	3,750	4,125	4,250	4,250	4,250	4,250	4,250
Veterinary Distance Learning	0	100	0	0	0	0	0
Animal Indemnities	300	300	300	300	300	300	300
Transfer to State Farm Products Show Fund	800	1,000	1,000	1,000	1,000	1,000	1,000
Payments to Pennsylvania Fairs	4,097	4,200	4,400	4,400	4,400	4,400	4,400
Livestock Show	177	187	206	206	206	206	206
Open Dairy Show	120	187	206	206	206	206	206
Junior Dairy Show	43	45	50	50	50	50	50
4-H Club Shows	48	50	55	55	55	55	55
Product Promotion and Marketing	722	900	950	950	950	950	950
Future Farmers	58	63	69	69	69	69	69
Transfer to Nutrient Management Fund	3,280	3,280	3,280	3,280	3,280	3,280	3,280
Local Soil and Water Districts	999	1,150	1,210	1,210	1,210	1,210	1,210
Agriculture Drought Disaster Relief	5,000	0	0	0	0	0	0
Emergency Drought Relief	60,000	0	0	0	0	0	0
Crop Insurance (6/01)	5,600	0	0	0	0	0	0
Plum Pox Virus - Fruit Tree Indemnities	0	3,100	3,100	0	0	0	0
Commercial and Orchard Fruit Tree Indemnities (6/01)	2,000	0	0	0	0	0	0
Transfer to Agricultural Conservation Easement Purchase Fund	20,000	0	0	0	0	0	0
Agricultural Easement Purchase Program	43,000	0	0	0	0	0	0
TOTAL GENERAL FUND	\$ 139,635	\$ 53,863	\$ 57,418	\$ 54,626	\$ 55,399	\$ 56,187	\$ 56,992
ENVIRONMENTAL STEWARDSHIP FUND:							
Transfer to Agricultural Conservation Easement Purchase (EA)	\$ 0	\$ 19,828	\$ 20,550	\$ 20,276	\$ 20,276	\$ 0	\$ 0

Program: Protection and Development of Agricultural Industries (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
FARM PRODUCTS SHOW FUND:							
General Operations (EA)	\$ 4,728	\$ 5,080	\$ 4,855	\$ 4,000	\$ 4,000	\$ 3,900	\$ 3,900
RACING FUND:							
Payments to Pennsylvania Fairs —							
Administration (EA)	\$ 173	\$ 189	\$ 195	\$ 199	\$ 203	\$ 207	\$ 211

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, safe, and competitive pari-mutuel harness and horse racing.

Horse racing in Pennsylvania is governed by Act 93 of 1983. This act merged the State Harness Racing Fund and the State Horse Racing Fund into the Racing Fund, adjusted the tax schedule and revised the distribution of funds in order to assist the racing industry by increasing the funds retained by the tracks.

The Racing Fund pays all expenses of the State Racing Commissions. After these obligations have been met, 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. Act 23 of 2000 amended the Race Horse Industry Reform Act to increase the percentage credited to the Breeders' Fund from 0.7 to 1.0% of the amount wagered on thoroughbred races. The Sire Stakes Fund is credited with 1.5% of wagers on harness races. All remaining monies in the Racing Fund are then transferred to the General Fund in the subsequent fiscal year.

The Equine Toxicology and Research Laboratory tests for the presence of foreign substances in the blood and urine of race horses following all races to ensure that no foreign substances have been administered prior to a race.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Investigations to insure compliance with established rules and regulations:							
Harness	920	920	920	920	920	920	920
Horse	2,341	2,300	2,300	2,300	2,300	2,300	2,300
Participant licenses issued:							
Harness	3,195	3,200	3,200	3,200	3,200	3,200	3,200
Horse	6,005	6,000	6,000	6,000	6,000	6,000	6,000
Licenses suspended for noncompliance of rules and regulations:							
Harness	325	325	325	325	325	325	325
Horse	261	275	275	275	275	275	275
Racing days approved:							
Harness	362	365	365	365	365	365	365
Horse	420	420	420	420	420	420	420

Horse racing investigations to insure compliance with established rules and regulations were less than projected in last year's budget due to a reduction in inquiries.

Participant licenses issued for harness races decrease from the projections shown in last year's budget because of a decline in actual activity.

Horse racing licenses suspended for noncompliance with rules and regulations decrease from the projections in last year's budget because of a decrease in violations.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>GENERAL FUND Horse Racing Promotion —nonrecurring projects.</p> <p>\$ -10,000</p>	<p>Equine Toxicology and Research Laboratory —laboratory equipment. —to continue current program.</p> <p>\$ -76 136</p> <hr style="width: 50%; margin-left: 0;"/> <p>\$ 60 <i>Appropriation Increase</i></p>
<p>RACING FUND State Racing Commissions —to continue current program.</p> <p>\$ 137</p>	<p>Transfer to General Fund —reduction in funds available to transfer. Law requires June 30th ending surplus to be transferred to the General Fund.</p> <p>\$ -1,309</p>

Program: Horse Racing Regulation (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Horse Racing Promotion	\$ 0	\$ 10,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
RACING FUND:							
State Racing Commissions (EA)	\$ 6,453	\$ 7,160	\$ 7,297	\$ 7,443	\$ 7,592	\$ 7,744	\$ 7,899
Equine Toxicology and Research Laboratory (EA)	1,614	2,013	2,073	2,114	2,157	2,200	2,244
Transfer to General Fund (EA)	10,213	11,478	10,169	12,023	11,827	11,627	11,423
TOTAL STATE RACING FUND	\$ 18,280	\$ 20,651	\$ 19,539	\$ 21,580	\$ 21,576	\$ 21,571	\$ 21,566

PROGRAM OBJECTIVE: To distribute surplus and donated food through institutions and counties or designated lead agencies to individuals and families who are dependent or disadvantaged to support minimum standards of living and economic independence.

Program: Emergency Food Assistance

The State Food Purchase Program provides grants to counties or a designated lead agency 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:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Dollar value of commodities distributed (thousands)	\$35,452	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000
Persons receiving donated or surplus foods (thousands):							
Traditional program	1,008	1,000	1,000	1,000	1,000	1,000	1,000
TEFAP	2,650	2,650	2,650	2,650	2,650	2,650	2,650
State Food Purchase Program	2,656	2,700	2,700	2,700	2,700	2,700	2,700

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND
State Food Purchase
 \$ 450 —to continue current program.

Farmers' Market Food Coupons is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Farmers' Market Food Coupons	\$ 711	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
State Food Purchase	15,464	16,000	16,450	16,450	16,450	16,450	16,450
TOTAL GENERAL FUND	\$ 16,175	\$ 17,500	\$ 17,950	\$ 17,950	\$ 17,950	\$ 17,950	\$ 17,950



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)

1999-00 2000-01 2001-02
ACTUAL AVAILABLE BUDGET

BANKING DEPARTMENT FUND:

General Government:

General Government Operations.....	\$	8,745	\$	10,191	\$	11,801
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Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
REGULATION OF FINANCIAL INSTITUTIONS							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	8,745	10,191	11,801	9,997	10,197	10,401	10,609
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 8,745	\$ 10,191	\$ 11,801	\$ 9,997	\$ 10,197	\$ 10,401	\$ 10,609
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	8,745	10,191	11,801	9,997	10,197	10,401	10,609
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	\$ 8,745	\$ 10,191	\$ 11,801	\$ 9,997	\$ 10,197	\$ 10,401	\$ 10,609

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 1999-00, the department received approximately 6,000 consumer inquiries on its toll-free telephone line.

As of June 30, 2000, there were 176 depository institutions under the department’s supervision: 45 commercial banks, 53 bank and trust companies, 50 savings banks, one private bank, 25 trust companies, and two foreign banks which maintained branches or representative offices in Pennsylvania. There were 20 savings associations and 84 credit unions chartered and supervised by the Department of Banking. Also operating in the Commonwealth were 139 one-bank holding companies and 28 multibank holding companies. The department also issues licenses annually to 12,503 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 75 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. 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.

Act 89 of 2000 provides state-chartered commercial and savings banks with parity in activities permitted for national banks and federally-chartered savings banks and savings associations. It also provides parity in activities permitted state-chartered banks located in other states when the activity has been approved by the Federal Deposit Insurance Corporation (FDIC) (under Section 24 of the FDIC Act).

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Supervision of State-chartered:							
Banks	176	174	172	171	170	169	168
Savings and loan associations	20	18	18	18	18	18	18
Credit unions	84	84	85	85	86	86	86

Savings and loan association charters decrease compared to last year’s budget reflects savings associations, which were insured by the former Pennsylvania Savings Association Insurance Corporation, closing sooner than anticipated.

Program: Financial Institution Regulation (continued)

Program Measures: (continued)	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Consumer credit agencies:							
First mortgage bankers/brokers	3,261	3,261	3,261	3,261	3,261	3,261	3,261
Second mortgage lenders/brokers/ broker's agents	3,194	3,194	3,194	3,194	3,194	3,194	3,194
Sales finance companies	1,002	752	752	752	752	752	752
Consumer discount companies	558	564	564	564	564	564	564
Pawnbrokers	58	58	58	58	58	58	58
Money transmitters	26	26	26	26	26	26	26
Collectors-repossessors	147	160	160	160	160	160	160
Installment sellers licensed	3,776	3,814	3,814	3,814	3,814	3,814	3,814
Check casher licenses	481	509	509	509	509	509	509

First mortgage bankers/brokers increase compared to the projection in last year's budget due to favorable economic factors.

Sales finance companies licenses decrease compared to the projection in last year's budget due to potential federal preemption of Pennsylvania's Motor Vehicle Sales Finance Act.

Pawnbrokers licenses in 1999-00 decrease compared to the projection in last year's budget primarily due to cessation of business by one company which held more than 20 licenses.

Collector-repossessors licenses increase compared to the projection in last year's budget due to favorable economic factors.

Check casher licenses increase compared to the projection in last year's budget due to expanding industry awareness of the need to participate in this relatively new program.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations	
\$ 360	— to continue current program.
-750	— nonrecurring operating expenses.
2,000	— Initiative — E-Government/Document Management System. To develop an internet-based licensing and reporting application and an electronic workflow application.
\$ 1,610	<i>Appropriation Increase</i>

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
BANKING DEPARTMENT FUND:							
General Government Operations	\$ 8,745	\$ 10,191	\$ 11,801	\$ 9,997	\$ 10,197	\$ 10,401	\$ 10,609



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.

Civil Service Commission

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00	2000-01	2001-02
	ACTUAL	AVAILABLE	BUDGET
<u>GENERAL FUND:</u>			
<i>General Government:</i>			
General Government Operations.....	\$ 1	\$ 1	\$ 1
(A) Fees From Agencies.....	12,880	13,876	13,822
(A) Special Merit System Services.....	717	887	882
(A) Miscellaneous Augmenting Funds.....	175	0	0
	<hr/>	<hr/>	<hr/>
Subtotal - State Funds.....	\$ 1	\$ 1	\$ 1
Subtotal - Augmentations.....	13,772	14,763	14,704
	<hr/>	<hr/>	<hr/>
Total - General Government.....	\$ 13,773	\$ 14,764	\$ 14,705
	<hr/>	<hr/>	<hr/>
STATE FUNDS.....	\$ 1	\$ 1	\$ 1
AUGMENTATIONS.....	13,772	14,763	14,704
	<hr/>	<hr/>	<hr/>
GENERAL FUND TOTAL.....	\$ 13,773	\$ 14,764	\$ 14,705

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
PERSONNEL SELECTION							
GENERAL FUND.....	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	13,772	14,763	14,704	14,847	14,703	14,997	15,297
SUBCATEGORY TOTAL.....	\$ 13,773	\$ 14,764	\$ 14,705	\$ 14,848	\$ 14,704	\$ 14,998	\$ 15,298
ALL PROGRAMS:							
GENERAL FUND.....	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	13,772	14,763	14,704	14,847	14,703	14,997	15,297
DEPARTMENT TOTAL.....	\$ 13,773	\$ 14,764	\$ 14,705	\$ 14,848	\$ 14,704	\$ 14,998	\$ 15,298

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.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Total eligibles on list	187,888	200,000	200,000	200,000	200,000	200,000	200,000
Persons scheduled for exams	139,244	130,000	130,000	130,000	130,000	130,000	130,000
Appeal requests received and processed	559	600	600	600	600	600	600
Certifications audited	10,815	11,000	11,000	11,000	11,000	11,000	11,000
People with disabilities provided employment information	2,429	2,500	2,500	2,500	2,500	2,500	2,000

Persons with disabilities provided employment information have increased compared to projections in last year's budget due to commission staff attending more job fairs for recruitment.

Program Recommendations:

This budget recommends the following changes in augmentations received from agency billings: (Dollar Amounts in Thousands)

General Government Operations	
\$ 483	—to continue current program.
572	—Initiative — Computerized Examinations. To establish computer-based testing for applicants in order to enhance the personnel evaluation and hiring process.
-1,083	—nonrecurring costs for imaging equipment and computerized examination software.
-31	—other nonrecurring items.
<u>\$ -59</u>	<i>Augmentation Decrease</i>

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
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.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Title	Appropriation	2001-02 State Funds <small>(in thousands)</small>
Excelling in the Digital Economy		
	International Trade.....	\$ 900
	Brain Gain.....	10,000
	Land Use Planning Assistance.....	1,000
	Transfer to Ben Franklin/IRC Fund.....	-39,100
	Transfer to Ben Franklin Technology Development Authority Fund.....	56,397
	Opportunity Grant Program.....	5,000
	Customized Job Training.....	5,450
	Housing & Redevelopment Assistance.....	3,000
	Enterprise Development.....	-6,996
	New Communities.....	11,500
	Industrial Development Assistance.....	1,500
	Local Development Districts.....	640
	Small Business Development Centers.....	500
	Main Street Program.....	-2,500
	PEDFA-PA Technology Investment Authority.....	-26,300
	Industrial Resource Center.....	11,203
	PENNTAP.....	300
	Powdered Metals.....	200
	Agile Manufacturing.....	750
		750
	Program Revision Subtotal.....	\$ 33,444

This Program Revision provides for continued tax reduction, enhances the Commonwealth's technology development programs, expands workforce training and helps retain the highly skilled workers and leaders of tomorrow. This Program Revision also enhances support for traditional economic development financing, consolidates and modernizes community development activities and increases support for international trade activities.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Title	Appropriation	2001-02 State Funds <small>(in thousands)</small>
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Promoting Self-Sufficiency and Responsibility

This Program Revision recommends \$30 million in Federal funds to expand the availability of affordable housing opportunities for low-income families through the Pennsylvania Housing Finance Agency. This Program Revision also recommends \$2 million in Federal funds to promote asset accumulation by low-income families through matched savings accounts. This is part of the \$59.3 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	\$ 33,444
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Community and Economic Development

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations	\$ 17,440	\$ 18,855	\$ 18,072
(F)ARC - Technical Assistance.....	437	550	550
(F)DOE - Weatherization Administration.....	365	425	500
(F)SCDBG - Administration.....	789	1,075	1,300
(F)CSBG - Administration.....	436	1,035	1,388
(F)LIHEABG - Administration.....	250	450	500
(F)ARC - Regional Initiative.....	642	900	605
(F)DCSI-Regional Police Peer Program (EA).....	5	5	5
(F)Americorps Training and Technical Assistance.....	120	100	100
(A)Manufactured Housing.....	517	460	360
(A)Copy Center Services.....	34	10	10
(A)Pennsylvania Industrial Development Authority.....	2,295	1,683	1,683
(A)Pennsylvania Economic Development Financing Authority.....	308	339	339
(A)Industrial Sites Cleanup.....	100	200	200
(A)PA Energy Development Authority.....	94	100	100
(A)Machinery and Equipment Loan Fund Reimbursement.....	97	125	130
(A)Environmental Training Partnership.....	1,374	1,500	2,000
(A)Reimbursement Environmental Protection.....	221	10	10
(A)Small Business First.....	607	705	725
(A)Local Area Transportation.....	175	125	125
(A)HOME Investment Partnership.....	218	230	235
(R)Small Business Advocate-Utilities.....	998	1,015	1,017
(R)Zoological Transfer (EA).....	300	0	0
International Trade	7,070	7,601	8,511
Interactive Marketing	4,000	5,500	5,500
Marketing to Attract Tourists	14,604	19,035	16,469
(A)Reimbursement for Travel Advertisements.....	208	307	307
Marketing to Attract Business	5,450	7,165	6,000
(A)Reimbursement for Services.....	128	17	17
Regional Marketing Partnerships	5,000	8,500	6,500
Brain Gain	0	0	10,000
Marketing to Attract Film Business	460	619	749
International Marketing - Health Care	200	200	0
Housing Research Center	250	250	250
Team Pennsylvania	8,873	11,306	5,585
(F)Incumbent Workers.....	50	50	0
PENNPORTS	12,796	14,294	11,243
Land Use Planning Assistance	475	3,600	4,622
Base Realignment and Closure	100^a	100^a	100
Subtotal - State Funds.....	\$ 76,718	\$ 97,025	\$ 93,601
Subtotal - Federal Funds.....	3,094	4,590	4,948
Subtotal - Augmentations.....	6,376	5,811	6,241
Subtotal - Restricted Revenues.....	1,298	1,015	1,017
Total - General Government	\$ 87,486	\$ 108,441	\$ 105,807
Grants and Subsidies:			
Transfer to Ben Franklin/IRC Fund	\$ 36,900	\$ 39,100	\$ 0
Transfer to PA Industrial Development Authority	20,000	13,000	4,000
Transfer to Ben Franklin Tech. Development Authority Fund	0	0	56,397
Transfer to Small Business First Fund	25,000	9,000	0
(F)CCDFBG - Child Care Start-Up.....	0	500	500
Transfer to Small Business First-Community Development	0	4,000	0
Transfer to Machinery and Equipment Loan Fund	2,000	6,000	0
Manufacturing Assistance	0	5,000	0
Opportunity Grant Program	35,000	63,000	40,000
Customized Job Training	29,050	32,050	37,500

Community and Economic Development

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00	2000-01	2001-02
	ACTUAL	AVAILABLE	BUDGET
(F)Community Economic Assistance.....	45,000	50,000	50,000
Infrastructure Development.....	33,500	33,500	33,500
CyberStart.....	1,600	1,600	1,600
(F)CCDFBG-Cyberstart.....	0	0	8,400
Housing & Redevelopment Assistance.....	14,000	15,000	18,000
(F)DOE - Weatherization.....	8,378	10,000	10,000
(F)Emergency Shelter for the Homeless.....	3,000	4,500	80
(F)Small Communities Block Grant.....	74,999	80,000	0
(F)Centralia Recovery(EA).....	967	2,000	2,000
(F)LIHEABG - Weatherization Program.....	10,769	14,550 ^b	13,600
(F)Emergency Cooling(EA).....	5,813	0	0
(F)TANFBG-Housing Assistance.....	0	5,000	5,000
(F)TANFBG-Housing Collaboration.....	0	0	30,000
(A)Intergovernmental Transfer.....	0	1,875	0
Community Development Bank.....	750	750	750
Family Savings Accounts.....	500	1,500	1,500
(F)Assets for Independence.....	930	1,000	1,000
(F)TANFBG-Family Savings Account.....	0	0	2,000
Shared Municipal Services.....	900	900	900
New Communities.....	9,496^c	9,496^c	11,500
(F)Enterprise Communities - SSBG.....	57,784	58,000	50,000
Appalachian Regional Commission.....	485	798	798
Planning Assistance.....	625	0	0
Industrial Development Assistance.....	1,700	3,000	4,500
Local Development Districts.....	3,105	4,360	5,000
Small Business Development Centers.....	3,500	5,500	6,000
Tourist Promotion Assistance.....	10,250	11,250	11,500
Tourism - Accredited Zoos.....	0	1,000	0
Community Revitalization.....	84,660	84,660	20,000
Urban Development.....	0	2,000	0
Rural Leadership Training.....	210	210	210
Flood Plain Management.....	150	150	150
(F)FEMA Technical Assistance.....	20	85	85
(F)Emergency Monitoring Program(EA).....	124	129	0
Community Conservation and Employment.....	10,000	13,500	10,000
(F)Community Services Block Grant.....	20,375	25,500	26,368
(F)TANFBG-Digital Divide.....	0	0	4,000
(F)TANFBG-Child Care Savings Challenge Grants.....	0	0	10,000
(F)Supported Work Program (EA).....	7,048	7,171	7,171
(A)Supported Work.....	198	4,306	2,325
Super Computer Center.....	2,000	2,000	2,000
Infrastructure Technical Assistance.....	3,500	3,500	3,500
Homeowners Property Tax Rebates(6/01) - Local Administration.....	6,000	0	0
PEDFA- PA Technology Investment Authority.....	18,200	26,300	0
Fay Penn.....	500	500	0
Tourist Product Development.....	0	1,000	1,000
Industrial Resource Center.....	0	0	11,203
PENNTAP.....	0	0	300
Powdered Metals.....	0	0	200
Agile Manufacturing.....	0	0	750
Subtotal - State Funds.....	\$ 353,581	\$ 393,624	\$ 282,758
Subtotal - Federal Funds.....	235,207	258,435	220,204
Subtotal - Augmentations.....	198	6,181	2,325
Total - Grants and Subsidies.....	\$ 588,986	\$ 658,240	\$ 505,287

Community and Economic Development

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
STATE FUNDS.....	\$ 430,299	\$ 490,649	\$ 376,359
FEDERAL FUNDS.....	238,301	263,025	225,152
AUGMENTATIONS.....	6,574	11,992	8,566
RESTRICTED REVENUES.....	1,298	1,015	1,017
GENERAL FUND TOTAL.....	\$ 676,472	\$ 766,681	\$ 611,094
<u>TOBACCO SETTLEMENT FUND:</u>			
<i>Grants and Subsidies:</i>			
Venture Capital.....	\$ 0	\$ 11,378 ^d	\$ 16,951
Regional Biotechnology Research Centers.....	0	90,000 ^e	0
Total - Grants and Subsidies.....	\$ 0	\$ 101,378	\$ 16,951
TOBACCO SETTLEMENT FUND TOTAL.....	\$ 0	\$ 101,378	\$ 16,951
<u>OTHER FUNDS:</u>			
GENERAL FUND:			
Industrial Sites Environmental Assessment Fund.....	\$ 3,770	\$ 2,000	\$ 2,000
PA Economic Development Financing Authority.....	300	301	0
GENERAL FUND TOTAL.....	\$ 4,070	\$ 2,301	\$ 2,000
BEN FRANKLIN TECHNOLOGY DEVELOPMENT AUTHORITY FUND:			
Ben Franklin Technology Loans.....	\$ 0	\$ 0	\$ 56,397
BEN FRANKLIN/IRC PARTNERSHIP FUND:			
Ben Franklin/IRC.....	\$ 37,350	\$ 39,100	\$ 0
ENERGY DEVELOPMENT FUND:			
Energy Development - Administration (EA).....	\$ 100	\$ 75	\$ 75
Energy Development Loans/Grants (EA).....	0	50	50
ENERGY DEVELOPMENT FUND TOTAL.....	\$ 100	\$ 125	\$ 125
FINANCIALLY DISTRESSED MUNICIPALITIES REVOLVING LOAN FUND:			
Distressed Community Assistance (EA).....	\$ 1,600	\$ 4,300	\$ 2,800
HOME INVESTMENT TRUST FUND:			
HOME Investment Partnership.....	\$ 14,212	\$ 15,000	\$ 1,065
INDUSTRIAL DEVELOPMENT FUND:			
PA Industrial Development Authority.....	\$ 14,043	\$ 13,300	\$ 4,000
INDUSTRIAL SITES CLEANUP FUND:			
Industrial Sites Cleanup - Administration (EA).....	\$ 100	\$ 100	\$ 200
Industrial Sites Cleanup - Projects (EA).....	10,243	14,000	14,000
INDUSTRIAL SITES CLEANUP FUND TOTAL.....	\$ 10,343	\$ 14,100	\$ 14,200
LOCAL GOVERNMENT CAPITAL PROJECT LOAN FUND:			
Local Government Capital Project Loans (EA).....	\$ 709	\$ 1,000	\$ 1,500
MACHINERY AND EQUIPMENT LOAN FUND:			
General Operations (EA).....	\$ 150	\$ 175	\$ 200
Machinery and Equipment Loans (EA).....	18,974	19,000	30,000

Community and Economic Development

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
MACHINERY AND EQUIPMENT LOAN FUND TOTAL.....	\$ 19,124	\$ 19,175	\$ 30,200
MINORITY BUSINESS DEVELOPMENT FUND:			
General Operations (EA).....	\$ 641	\$ 100	\$ 250
Minority Business Development Loans (EA).....	775	1,000	1,000
MINORITY BUSINESS DEVELOPMENT FUND TOTAL.....	\$ 1,416	\$ 1,100	\$ 1,250
SMALL BUSINESS FIRST FUND:			
Administration (EA).....	\$ 1,075	\$ 1,000	\$ 1,400
Loans (EA).....	25,702	37,000	37,000
Pollution Prevention Loans (EA).....	234	2,000	700
EDA - Loans (EA).....	160	500	500
Environmental Loans (EA).....	1	1,500	700
EDA - Defense Conversion (EA).....	200	200	200
Community Economic Development Loans (EA).....	4,046	5,500	9,000
Child Care Start-Up (EA).....	0	500	500
SMALL BUSINESS FIRST FUND TOTAL.....	\$ 31,418	\$ 48,200	\$ 50,000
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND:			
Underground Storage Tank Administration (EA).....	\$ 407	\$ 576	\$ 450
Upgrade Loans (EA).....	1,835	20,000	10,000
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND TOTAL.....	\$ 2,242	\$ 20,576	\$ 10,450
WORKMEN'S COMPENSATION ADMINISTRATION FUND:			
Small Business Advocate - Workers' Compensation (R).....	\$ 176	\$ 178	\$ 179
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 430,299	\$ 490,649	\$ 376,359
SPECIAL FUNDS.....	0	101,378	16,951
FEDERAL FUNDS.....	238,301	263,025	225,152
AUGMENTATIONS.....	6,574	11,992	8,566
RESTRICTED.....	1,298	1,015	1,017
OTHER FUNDS.....	136,803	178,455	174,166
TOTAL ALL FUNDS.....	\$ 813,275	\$ 1,046,514	\$ 802,211

^a Actually appropriated in the Department of Military and Veteran's Affairs.

^b Includes recommended supplemental appropriation of \$2,550,000.

^c Actually appropriated as \$6,996,000 for Enterprise Development and \$2,500,000 for Main Street.

^d Includes recommended supplemental appropriation of \$11,378,000.

^e Includes recommended supplemental appropriation of \$90,000,000.

Community and Economic Development

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
COMMUNITY AND ECONOMIC DEVELOPMENT							
SUPPORT SERVICES							
GENERAL FUND.....	\$ 71,924	\$ 91,043	\$ 86,759	\$ 87,996	\$ 89,258	\$ 90,546	\$ 91,861
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,794	4,090	12,848	12,848	4,448	4,448	4,448
OTHER FUNDS.....	7,850	7,004	7,437	7,587	7,739	7,893	8,051
SUBCATEGORY TOTAL.....	\$ 82,568	\$ 102,137	\$ 107,044	\$ 108,431	\$ 101,445	\$ 102,887	\$ 104,360
BUSINESS AND JOB DEVELOPMENT							
GENERAL FUND.....	\$ 176,369	\$ 197,300	\$ 147,978	\$ 148,315	\$ 148,658	\$ 149,008	\$ 149,366
SPECIAL FUNDS.....	0	101,378	16,951	21,253	0	0	0
FEDERAL FUNDS.....	45,194	50,764	50,585	50,085	50,085	50,085	50,085
OTHER FUNDS.....	82,756	118,877	112,225	107,268	107,312	107,356	107,401
SUBCATEGORY TOTAL.....	\$ 304,319	\$ 468,319	\$ 327,739	\$ 326,921	\$ 306,055	\$ 306,449	\$ 306,852
TECHNOLOGY DEVELOPMENT							
GENERAL FUND.....	\$ 60,600	\$ 70,900	\$ 74,350	\$ 74,350	\$ 74,350	\$ 47,953	\$ 47,953
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	37,350	39,100	56,397	56,397	56,397	30,000	30,000
SUBCATEGORY TOTAL.....	\$ 97,950	\$ 110,000	\$ 130,747	\$ 130,747	\$ 130,747	\$ 77,953	\$ 77,953
COMMUNITY DEVELOPMENT							
GENERAL FUND.....	\$ 121,406	\$ 131,406	\$ 67,272	\$ 67,364	\$ 67,458	\$ 67,554	\$ 67,652
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	190,313	208,171	161,719	154,719	112,719	94,719	87,719
OTHER FUNDS.....	16,719	26,481	7,690	7,211	7,233	7,255	7,278
SUBCATEGORY TOTAL.....	\$ 328,438	\$ 366,058	\$ 236,681	\$ 229,294	\$ 187,410	\$ 169,528	\$ 162,649
ALL PROGRAMS:							
GENERAL FUND.....	\$ 430,299	\$ 490,649	\$ 376,359	\$ 378,025	\$ 379,724	\$ 355,061	\$ 356,832
SPECIAL FUNDS.....	0	101,378	16,951	21,253	0	0	0
FEDERAL FUNDS.....	238,301	263,025	225,152	217,652	167,252	149,252	142,252
OTHER FUNDS.....	144,675	191,462	183,749	178,463	178,681	152,504	152,730
DEPARTMENT TOTAL.....	\$ 813,275	\$ 1,046,514	\$ 802,211	\$ 795,393	\$ 725,657	\$ 656,817	\$ 651,814

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 organizations assist 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 by providing hardware and software to licensed daycare centers along with training for staff and funding educational software development.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Traveler expenditures (in millions)	\$21,000	\$22,050	\$23,153	\$25,526	\$26,802	\$28,142	\$29,549
Tourist Promotion Assistance: Public/private funds leveraged (in thousands)	\$45,490	\$46,200	\$48,510	\$53,482	\$56,156	\$58,964	\$61,912

It is estimated for fiscal year 2000-01 that there will be 1,100 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)

<p>General Government Operations</p> <p>\$ -33 —nonrecurring program costs.</p> <p>-500 —nonrecurring Keystone Building Relocation.</p> <p>-250 —nonrecurring project for the Electronic Application Process.</p> <hr/> <p>\$ -783 <i>Appropriation Decrease</i></p> <p>International Trade</p> <p>\$ 10 —to continue current program.</p> <p>900 —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.</p> <hr/> <p>\$ 910 <i>Appropriation Increase</i></p> <p>Marketing to Attract Tourists</p> <p>\$ 476 —to continue current program.</p> <p>-3,042 —nonrecurring special electronic and broadcast marketing, direct marketing and international marketing activities.</p> <hr/> <p>\$ -2,566 <i>Appropriation Decrease</i></p> <p>Marketing to Attract Business</p> <p>\$ 50 —to continue current program.</p> <p>-1,215 —nonrecurring special marketing activities.</p> <hr/> <p>\$ -1,165 <i>Appropriation Decrease</i></p> <p>Regional Marketing Partnerships</p> <p>\$ -2,000 —nonrecurring project.</p>	<p>Marketing to Attract Film Business</p> <p>\$ 130 —to provide for increased promotional activities.</p> <p>International Marketing- Health Care</p> <p>\$ -200 —nonrecurring project.</p> <p>Industrial Development Assistance</p> <p>\$ 1,500 —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.</p> <p>Local Development Districts</p> <p>\$ 640 —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.</p> <p>Tourist Promotional Assistance</p> <p>\$ 250 —to expand current program.</p> <p>Tourism- Accredited Zoos</p> <p>\$ -1,000 —nonrecurring project.</p>
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All other programs are continued at the current level.

This budget also recommends \$8.4 million in Federal funds to provide pre-school children in the Commonwealth access to internet based learning tools and program content.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
General Government Operations	\$ 17,440	\$ 18,855	\$ 18,072	\$ 18,433	\$ 18,802	\$ 19,178	\$ 19,562
International Trade	7,070	7,601	8,511	8,681	8,854	9,031	9,212
Interactive Marketing	4,000	5,500	5,500	5,610	5,722	5,836	5,953
Marketing to Attract Tourists	14,604	19,035	16,469	16,798	17,134	17,477	17,827
Marketing to Attract Business	5,450	7,165	6,000	6,120	6,242	6,367	6,494
Regional Marketing Partnerships	5,000	8,500	6,500	6,630	6,763	6,898	7,036
Marketing to Attract Film Business	460	619	749	764	779	795	811
International Marketing - Health Care	200	200	0	0	0	0	0
Housing Research Center	250	250	250	250	250	250	250
Base Realignment and Closure	100	100	100	102	104	106	108
CyberStart	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Appalachian Regional Commission	485	798	798	798	798	798	798
Industrial Development Assistance	1,700	3,000	4,500	4,500	4,500	4,500	4,500
Local Development Districts	3,105	4,360	5,000	5,000	5,000	5,000	5,000
Tourist Promotion Assistance	10,250	11,250	11,500	11,500	11,500	11,500	11,500
Tourism - Accredited Zoos	0	1,000	0	0	0	0	0
Rural Leadership Training	210	210	210	210	210	210	210
Tourist Product Development	0	1,000	1,000	1,000	1,000	1,000	1,000
TOTAL GENERAL FUND	\$ 71,924	\$ 91,043	\$ 86,759	\$ 87,996	\$ 89,258	\$ 90,546	\$ 91,861

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 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. 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 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.

Community and Economic Development

Program: Business and Job Development (continued)

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.

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. Since 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:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Jobs created/retained:	183,370	184,000	184,000	184,000	184,000	184,000	184,000
Public/private funds leveraged (in thousands):	\$3,261,237	\$3,250,000	\$3,300,000	\$3,300,000	\$3,300,000	\$3,300,000	\$3,300,000
Businesses assisted	850	850	850	850	850	850	850
Opportunity Grant projects	139	140	140	140	140	140	140

Jobs created/retained and public/private funds leveraged increased over the projections shown in last year's budget due to the success of the Opportunity Grant, Customized Job Training and Job Creation Tax Credit Programs.

Businesses assisted increased from last year's budget due to continued economic growth.

Opportunity Grant projects increased from last year's budget due to the program's success.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Brain Gain</p> <p>\$ 10,000 —PRR — Excelling in the Digital Economy. This Program Revision provides resources to help Pennsylvania become a top destination for young people by showcasing the Commonwealth's opportunities. See the Program Revision following this program for additional information.</p>	<p>Team Pennsylvania</p> <p>\$ 29 —to continue current program. 250 —to increase grants. -6,000 —nonrecurring transfers to venture capital funds.</p> <p>Appropriation Decrease</p> <p>\$ -5,721</p> <p>PENNPORTS</p> <p>\$ -3,051 —nonrecurring grants.</p>
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Community and Economic Development

Program: Business and Job Development (continued)

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

	Transfer to PA Industrial Development Authority	\$		5,450	Customized Job Training
\$ -9,000	—to continue current program.				—PRR — Excelling in the Digital Economy. This Program Revision provides resources to meet the growing demand for WEDnetPA, the guaranteed training program for new and expanding businesses. See the Program Revision following this program for additional information.
\$ -9,000	Transfer to Small Business First Fund				
	—no transfer due to securitization.				
\$ -4,000	Transfer to Small Business First-Community Development				
	—no transfer due to securitization.				
\$ -6,000	Transfer to Machinery and Equipment Loan Fund		\$	500	Small Business Development Centers
	—no transfer due to securitization.				—PRR — Excelling in the Digital Economy. This Program Revision provides resources for videoconferencing technology in rural communities. See the Program Revision following this program for additional information.
\$ -5,000	Manufacturing Assistance				
	—nonrecurring projects.				
\$ -28,000	Opportunity Grant Program				Fay Penn
5,000	—nonrecurring projects.			\$ -500	—nonrecurring project.
	—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.				
					TOBACCO SETTLEMENT FUND
					Venture Capital
					—to expand current program.
					Regional Biotechnology Research Centers
					—nonrecurring greenhouses.
\$ -23,000	<i>Appropriation Decrease</i>				

All other appropriations are recommended at the current year funding levels.

In 2001-02, revenue to the Small Business First and Machinery and Equipment Loan Funds will include income from securitization of existing loans thereby making the value of these assets available to finance an expansion of the loan programs.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Brain Gain	\$ 0	\$ 0	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Team Pennsylvania	8,873	11,306	5,585	5,697	5,811	5,927	6,046
PENNPORIS	12,796	14,294	11,243	11,468	11,697	11,931	12,170
Transfer to PA Industrial Development Authority	20,000	13,000	4,000	4,000	4,000	4,000	4,000
Transfer to Small Business First Fund	25,000	9,000	0	0	0	0	0
Transfer to Small Business First-Community Development	0	4,000	0	0	0	0	0
Transfer to Machinery and Equipment Loan Fund	2,000	6,000	0	0	0	0	0
Manufacturing Assistance	0	5,000	0	0	0	0	0
Opportunity Grant Program	35,000	63,000	40,000	40,000	40,000	40,000	40,000
Customized Job Training	29,050	32,050	37,500	37,500	37,500	37,500	37,500
Infrastructure Development	33,500	33,500	33,500	33,500	33,500	33,500	33,500
Small Business Development Centers	3,500	5,500	6,000	6,000	6,000	6,000	6,000
Flood Plain Management	150	150	150	150	150	150	150
Homeowners Property Tax Rebates (6/01) - Local Administration	6,000	0	0	0	0	0	0
Fay Penn	500	500	0	0	0	0	0
TOTAL GENERAL FUND	\$ 176,369	\$ 197,300	\$ 147,978	\$ 148,315	\$ 148,658	\$ 149,008	\$ 149,366

Community and Economic Development

Program: Business and Job Development (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
TOBACCO SETTLEMENT FUND:							
Venture Capital	\$ 0	\$ 11,378	\$ 16,951	\$ 21,253	\$ 0	\$ 0	\$ 0
Regional Biotechnology Research Centers	0	90,000	0	0	0	0	0
TOTAL TOBACCO SETTLEMENT FUND	\$ 0	\$ 101,378	\$ 16,951	\$ 21,253	\$ 0	\$ 0	\$ 0

Program Revision: Excelling in the Digital Economy

Over the past six years, Pennsylvania has instituted and refined a broad array of comprehensive business tax cuts, technology development incentives and traditional economic development tools to enable the Commonwealth to take advantage of the longest economic expansion in history. The results of these efforts are impressive. Pennsylvania families and employers have realized nearly \$15 billion in savings through tax cuts, workers' compensation reform, electric competition and reduced business regulations, leading to the creation of more than 350,000 new jobs.

This Program Revision continues these efforts by expanding economic freedom through further tax reduction; maximizing the potential of new technologies; strengthening traditional economic opportunities; and supporting local communities and sound land use activities.

Expanding Economic Freedom

Uncompetitive tax structures and rates are often the largest factors inhibiting economic growth and prosperity. This Program Revision implements \$203.3 million in tax reductions for 2001-02. The Capital Stock and Franchise Tax phase-out will continue with a 1.5 mill reduction, effective January 1, 2001, bringing the rate down to 7.49 mills, and an additional 1 mill reduction effective January 1, 2002, further reducing the rate to 6.49 mills. Through these reductions, businesses will save \$172.3 million and the complete repeal of the tax will occur in 2009. The Tax Free PC Holiday will be enhanced to cover not only home computer purchases but also peripheral equipment purchases. Pennsylvanians will be afforded two eight-day opportunities to purchase both home computers and peripherals that will be sales tax free, resulting in savings of nearly \$10.7 million. The Job Creation Tax Credits will be expanded by \$2.5 million, providing a \$1,000-per-job tax credit to approved businesses that create new jobs and demonstrate the development or deployment of leading technologies in their industry.

In addition, this Program Revision recommends an expansion of the special tax forgiveness provisions of the Personal Income Tax by increasing the dependent exemption from \$7,500 to \$8,500. With this proposal, a qualifying family of four with two claimants and two dependents with a taxable income of \$30,000 will pay no tax, for an annual savings of \$672.

Maximizing New Technologies

Pennsylvania has proposed innovative approaches to meeting the challenges of the technology revolution. Programs and initiatives have been launched to address a range of issues such as the digital divide, flexible financing for start-up companies, technology in classrooms and digitizing government.

To meet the challenges of the 21st Century, the Pennsylvania Technology Investment Authority (PTIA) was established. PTIA provides flexible financing options for fast moving, knowledge-based companies, leverages resources for digital community and e-business initiatives and seeds innovations through university and industry ventures. The success of the program has been in large part due to the foundation of technology development established by the Ben Franklin Partnership program. The four Ben Franklin Centers have served as leaders in guiding the development of regional technology development strategies. These strategies have for the first time created a shared vision of technology among university, business and development leaders. The strategic linkage between the Ben Franklin Program and PTIA was a first step in the pursuit of a comprehensive approach to technology development.

This Program Revision builds on the strengths of these programs to further the vitality of the Commonwealth's technology activities. Specifically, this proposal seeks to evolve the PTIA and the Ben Franklin Program into a more focused vehicle for investing in innovation. This Program Revision proposes merging the Ben Franklin Program with PTIA to create one unified technology focal point, the Ben Franklin Technology Development Authority. This Authority would be statutorily created and operated by a board of directors. This Program Revision provides \$56.4 million, including the consolidation of the above mentioned programs and an additional \$2.4 million in State funds.

The new Authority will provide flexible financing for technology firms, technology development grants to stimulate the early adoption of electronic commerce practices by companies and communities and investments in university research as a catalyst for economic development.

This Program Revision also proposes an additional \$1 million for a total of \$11.2 million for the Industrial Resource Centers (IRCs). This increase will support the enhancement of the manufacturers' assistance internet portal, the acceleration of Statewide activities to encourage the use of electronic content in traditional products and the development of an original equipment manufacturer/supplier training initiative.

This Program Revision also proposes funding for promising technology programs, including \$200,000 for Powdered Metals and \$750,000 for Agile Manufacturing. A total of \$300,000 is recommended for the Pennsylvania Technical Assistance Program (PENNTAP), which helps Pennsylvania businesses by providing free, confidential scientific and technological assistance and information to resolve specific technical questions or problems.

Community and Economic Development

Program Revision: Excelling in the Digital Economy (continued)

Innovative technology development programs will not be effective without an adequately skilled workforce, so 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 the Customized Job Training (CJT) Program. WEDnetPA, the guaranteed training program for new and expanding businesses, is a major part of the 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 pay at least 150 percent of minimum wage. WEDnetPA has trained over 47,000 employees since its inception. To meet the tremendous demand for this training, this Program Revision recommends an additional \$5.5 million for CJT to ensure that Pennsylvania has the highly skilled workers required by the new economy.

For the Commonwealth to compete both nationally and internationally, it must do a better job of holding on to its young talent. In the new economy of the 21st Century, intellectual capital is the most vital economic asset. Unfortunately, more than 30,000 young people between the ages of 20 and 29, two-thirds of whom held college and advanced degrees, were lost to other states from 1995 to 1997. Retaining and attracting the best and the brightest young people must become a top Pennsylvania economic development priority. This Program Revision recommends \$10 million to help make the Commonwealth a top destination for talented young people. This program will help raise the awareness of those factors that contribute to the relocation decisions of young adults and begin the process of removing the barriers that lead talented young people to leave the area. The Brain Gain initiative will also help market Pennsylvania, showcasing its opportunities, and will help bring students and Pennsylvania employers together through an internship matching program.

Strengthening Traditional Economic Opportunities

Pennsylvania has worked hard to streamline, consolidate and focus the Commonwealth's traditional economic development and financing programs to better respond to the challenges posed to Pennsylvania businesses. These programs occasionally require additional resources to respond to overwhelming demand. An additional \$5 million is proposed through this Program Revision for the Opportunity Grant Program, which will be used 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.

Pennsylvania also utilizes an extensive network of local and regional economic development agencies to provide a wide range of services to businesses throughout the State. This Program Revision proposes an infusion of an additional \$2.6 million to the local economic development network, providing targeted increases to support collaborative activity and initiatives that link Statewide strategies to local challenges and opportunities. An increase of \$1.5 million is recommended for local industrial development agencies to increase their local and regional marketing efforts and fully engage in the Commonwealth's high technology agenda. An increase of \$640,000 is proposed for the Local Development Districts, which will expand the available assistance to local governments to enhance the adoption of information technologies. Small Business Development Centers, critical in accelerating the adoption of e-commerce by small businesses, are recommended at a \$500,000 increase to support the continued use of videoconferencing technology to serve rural communities.

Pennsylvania has reached beyond its geographical boundaries to achieve a global presence. More Pennsylvania products and businesses are receiving international attention than ever before. This Administration has dramatically expanded the Commonwealth's system of international trade offices and has led hundreds of Pennsylvania businesses abroad on 17 trade missions since 1995, leading to increased sales of Pennsylvania products around the world. This Program Revision proposes an additional \$900,000 to continue to expand Pennsylvania's overseas presence and create new jobs at home.

Supporting Local Communities and Sound Land Use Activities

Since the strength of the economy has a direct relationship to the quality of our communities, this Program Revision recommends \$11.5 million for the creation of the Pennsylvania New Communities Program by combining \$2.5 million from the Main Street Program and \$7 million from the Enterprise Zone Program and providing \$2 million in new resources. These programs offer unique benefits, but interested municipalities must now go through multiple application procedures to participate in both programs. Consolidating these programs will make it easier and more beneficial for communities to participate, and increase program visibility and streamline program administration. This combined program will address the technology needs of communities and companies that compete in the new economy through an innovative Digital E-Readiness initiative. Businesses located in downtown and traditional commercial districts are unable to compete globally without a fast connection to the internet. Today's businesses often consider the existence of high-speed broadband access to the internet a top priority when making locating decisions. Communities, and the Commonwealth as a whole, need to

Community and Economic Development

Program Revision: Excelling in the Digital Economy (continued)

develop municipal networks for such access in order to compete. This Program Revision implements a pilot Digital E-Readiness initiative in five communities across the State. The program will focus on the community-wide development of an e-readiness capacity and the marketing, sales and purchasing transactions conducted by large and small businesses, non-profit agencies and local government.

The New Communities Program will also continue to support Pennsylvania's downtown areas by targeting "Anchor Buildings", which serve as a central focus of downtown commerce and other activities. These buildings act as a catalyst for other downtown uses because of the office workers, students and shoppers they draw will serve as a market for other downtown businesses. The program will help fill a financing gap between their current value and the cost of putting these buildings back into useful service. Anchor Buildings will also be implemented on a pilot basis, with six initial projects across the State in 2001-02. Funds will be granted to local, county, regional governments or public agencies that would then loan the funds to a private developer or non-profit owner for redevelopment purposes.

While the economic vitality of downtown areas is critical, so is overall quality of life in our communities. This Program Revision provides a \$3 million increase for the Communities of Opportunity Program through the Housing and Redevelopment Assistance appropriation to help communities succeed in making their vision a reality. This program provides funding for community revitalization and economic development activities at the local level, including business retention, expansion and attraction projects and also funds activities that assist with community revitalization in the areas of housing and low-income housing. This increase will support local initiatives which promote the

stability of neighborhoods and communities, help communities achieve and maintain social and economic diversity and improve quality of life.

To help ensure a high quality of life in and around our communities, this Program Revision also provides \$1 million to expand the Commonwealth's sound land use activities. The growing concern among Pennsylvanians over the proliferation of sprawl led to the creation of the Sound Land Use Program. This program has implemented critical new changes to the Commonwealth's Municipalities Planning Code and conducted over 50 land use forums around the State to explain and promote multi-municipal planning. Increasing the available funding for sound land use will enable additional local workshops, new land use publications, a second edition of the Inventory of Sound Land Use Practices, the development of an Electronic Clearinghouse for Land Use Resources and additional Land Use Planning and Technical Assistance Grants.

While providing municipalities more tools and information to help plan for their future, the Commonwealth will continue to do more to help them operate. This Program Revision recommends an additional \$500,000 in other funds for Local Government Services Capital Project Loans, which provides low-interest loans on a matching basis to municipalities for the purchase of equipment and the purchase, construction, renovation or rehabilitation of facilities.

This comprehensive collection of continued tax cuts and program refinements in the areas of technology and community development, workforce training and retention, traditional economic development, sound land use and international trade will help ensure Pennsylvania's continued economic success.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Technology related jobs created							
Current	2,150	5,000	10,000	11,000	11,000	11,000	11,000
Program Revision	0	0	11,500	11,750	11,750	11,750	11,750
Brain Gain – Percent of Young Pennsylvanians Retained and Attracted							
Program Revision	0	0	95%	98%	100%	105%	105%
Brain Gain – University Student Internship Matches							
Program Revision	0	0	1,000	5,000	5,000	5,000	5,000
Local Development Districts – Businesses Assisted							
Program Revision	0	0	1,300	1,300	1,300	1,300	1,300
Small Business Development Centers – Entrepreneurs Assisted							
Program Revision	0	0	9,000	9,000	9,000	9,000	9,000
Overseas offices and representatives fully funded							
Program Revision	0	0	20	20	20	20	20

Community and Economic Development

Program Revision: Excelling in the Digital Economy (continued)

Program Measures: (continued)	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
New Communities – Main Street Assessments							
Program Revision	0	0	30	30	30	30	30
New Communities – Enterprise Zone Digital Strategies							
Program Revision	0	0	5	5	5	5	5
New Communities – Anchor Buildings Projects							
Program Revision	0	0	9	9	9	9	9

Program Revision Recommendations:

 This budget recommends the following changes: (Dollar Amounts in Thousands)

	GENERAL FUND COMMUNITY AND ECONOMIC DEVELOPMENT	\$		
	Transfer to Ben Franklin Technology Development Authority Fund		1,500	Industrial Development Assistance —to increase the local and regional marketing efforts of industrial development organizations.
\$ 56,397	—to create the Ben Franklin Technology Development Authority Fund, establishing a unified technology development focus.	\$	640	Local Development Districts —to provide program support for Local Development Districts.
	PEDFA-PA Technology Investment Authority	\$	500	Small Business Development Centers —to enhance existing and new services provided by the Small Business Development Centers.
\$ -26,300	—to merge the PEDFA-PTIA program into the new Ben Franklin Technology Development Authority.	\$	900	International Trade —to expand international trade and marketing efforts.
	Transfer to Ben Franklin/IRC Fund	\$	11,500	New Communities —to create the New Communities program to address the technology needs of our communities and support downtown areas.
\$ -39,100	—to merge the Ben Franklin program into the new Ben Franklin Technology Development Authority.	\$	-2,500	Main Street Program —to consolidate the Main Street program into the New Communities program.
	Industrial Resource Center	\$	-6,996	Enterprise Development —to consolidate the Enterprise Zone program into the New Communities program.
\$ 11,203	—to provide resources for the Industrial Resource Centers.	\$	3,000	Housing & Redevelopment Assistance —to provide resources for community revitalization at the local level.
	Powdered Metals	\$	1,000	Land Use Planning Assistance —to expand sound land use activities.
\$ 200	—to provide resources for Powdered Metals.	\$	33,444	<i>Program Revision Total</i>
	Agile Manufacturing	\$		
\$ 750	—to provide resources for Agile Manufacturing.	\$		
	PENNTAP	\$		
\$ 300	—to provide resources for PENNTAP.	\$		
	Customized Job Training	\$		
\$ 5,450	—to provide additional resources for WEDnetPA, the guaranteed training program for new and expanding businesses.	\$		
	Brain Gain	\$		
\$ 10,000	—to make Pennsylvania a top destination for young people and showcase the Commonwealth's opportunities.	\$		
	Opportunity Grant Program	\$		
\$ 5,000	—to enhance job creation and retention opportunities throughout the Commonwealth.	\$		

In addition, \$500,000 in other funds will support Local Government Capital Project Loans.

Community and Economic Development

Program Revision: Excelling in the Digital Economy (continued)

Recommended Program Revision Costs by Appropriation:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Community and Economic Development							
International Trade	\$ 0	\$ 0	\$ 900	\$ 918	\$ 936	\$ 955	\$ 974
Brain Gain	0	0	10,000	10,000	10,000	10,000	10,000
Land Use Planning Assistance	0	0	1,000	1,020	1,040	1,061	1,082
Transfer to Ben Franklin/IRC Fund	0	0	-39,100	-39,100	-39,100	-39,100	-39,100
Transfer to Ben Franklin Technology Development Authority Fund			56,397	56,397	56,397	30,000	30,000
Opportunity Grant Program	0	0	5,000	5,000	5,000	5,000	5,000
Customized Job Training	0	0	5,450	5,450	5,450	5,450	5,450
Housing & Redevelopment Assistance			3,000	3,000	3,000	3,000	3,000
Enterprise Development			-6,996	-6,996	-6,996	-6,996	-6,996
New Communities	0	0	11,500	11,500	11,500	11,500	11,500
Industrial Development Assistance	0	0	1,500	1,500	1,500	1,500	1,500
Local Development Districts	0	0	640	640	640	640	640
Small Business Development Centers	0	0	500	500	500	500	500
Main Street Program			-2,500	-2,500	-2,500	-2,500	-2,500
PEDFA-PA Technology Investment Authority	0	0	-26,300	-26,300	-26,300	-26,300	-26,300
Industrial Resource Center	0	0	11,203	11,203	11,203	11,203	11,203
PENNTAP	0	0	300	300	300	300	300
Powdered Metals	0	0	200	200	200	200	200
Agile Manufacturing	0	0	750	750	750	750	750
GENERAL FUND TOTAL	\$ 0	\$ 0	\$ 33,444	\$ 33,482	\$ 33,520	\$ 7,163	\$ 7,203

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.

The Pennsylvania Technology Investment Authority (PTIA) is designed to meet the financing needs of high technology, knowledge-based companies whose needs differ from 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. PTIA includes a loan guarantee program for individuals with disabilities so that they may purchase assistive technologies which allow them to fully participate in their community's economy.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Jobs created:	2,150	5,000	10,000	11,500	11,750	11,750	11,750
Public/private funds leveraged (in thousands):	\$144,000	\$145,000	\$155,000	\$156,000	\$157,000	\$158,000	\$160,000
Businesses assisted:	1,812	1,830	1,830	1,830	1,830	1,830	1,830

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Transfer to Ben Franklin/IRC
 —PRR — Excelling in the Digital Economy.
 This Program Revision consolidates the Ben Franklin and PTIA programs to create the new Ben Franklin Technology Development Authority. See the Program Revision following the Business and Job Development program for additional information.

\$ -39,100

\$ 56,397

Transfer to Ben Franklin Technology Development Authority Fund
 —PRR — Excelling in the Digital Economy.
 This Program Revision creates the new Ben Franklin Technology Development Authority, establishing a single technology development focus for the Commonwealth. See the Program Revision following the Business and Job Development program for additional information.

Community and Economic Development

Program: Technology Development (continued)

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$	-26,300	<p>PEDFA- PA Technology Investment Authority —PRR — Excelling in the Digital Economy. This Program Revision consolidates the Ben Franklin and PEDFA-PTIA programs to create the new Ben Franklin Technology Development Authority. See the Program Revision following the Business and Job Development program for additional information.</p>	\$	200	<p>Powdered Metals —PRR — Excelling in the Digital Economy. This Program Revision provides continued funding for Powdered Metals technology. See the Program Revision following the Business and Job Development program for additional information.</p>
\$	11,203	<p>Industrial Resource Center —PRR — Excelling in the Digital Economy. This Program Revision provides resources for the Industrial Resource Centers to help manufacturing firms implement new techniques and technologies. See the Program Revision following the Business and Job Development program for additional information.</p>	\$	750	<p>Agile Manufacturing —PRR — Excelling in the Digital Economy. This Program Revision provides continued funding for Agile Manufacturing technology. See the Program Revision following the Business and Job Development program for additional information.</p>
\$	300	<p>PENNTAP —PRR — Excelling in the Digital Economy. This Program Revision provides continued funding for PENNTAP to provide technical assistance to Pennsylvania businesses. See the Program Revision following the Business and Job Development program for additional information.</p>			

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Transfer to Ben Franklin/IRC Fund	\$ 36,900	\$ 39,100	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transfer to Ben Franklin Technology Development Authority Fund	0	0	56,397	56,397	56,397	30,000	30,000
Super Computer Center	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Infrastructure Technical Assistance	3,500	3,500	3,500	3,500	3,500	3,500	3,500
PEDFA- PA Technology Investment Authority	18,200	26,300	0	0	0	0	0
Industrial Resource Center	0	0	11,203	11,203	11,203	11,203	11,203
PENNTAP	0	0	300	300	300	300	300
Powdered Metals	0	0	200	200	200	200	200
Agile Manufacturing	0	0	750	750	750	750	750
TOTAL GENERAL FUND	\$ 60,600	\$ 70,900	\$ 74,350	\$ 74,350	\$ 74,350	\$ 47,953	\$ 47,953

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 and U.S. Department of Housing and Urban Development (HUD) LIHEAP 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 HUD, to administer these funds. Beginning in Fiscal Year 2000-01 the Federal funds will be granted directly through the implementation of the HUD Integrated Disbursement and Information System and will not flow through the department. Administrative funds will continue to be appropriated to the department to continue the program. HOME Investment Trust Fund monies are provided to PHFA for development of affordable rental housing and home ownership through acquisition, construction or 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 1999-00, \$350 million in taxable and tax-exempt bonds were sold to provide approximately 4,000 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 27,000 homes from foreclosure. The provisions of Act 160 of 1998 have 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 21st Century Commission and contains the Planning Assistance Program.

Community and Economic Development

Program: Community Development (continued)

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 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. Act 119 of 2000 established the Keystone Opportunity Expansion Zones (KOEZs). The act extended the expiration date of the program, increased the eligible tax exempt activity and allowed KOZs to expand.

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.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Housing and Redevelopment:							
Rehabilitation of existing units	1,800	1,600	1,600	1,600	1,600	1,600	1,600
Homes weatherized	5,779	6,211	5,848	5,848	5,848	5,848	5,848
Community Development:							
Designated distressed communities assisted	14	13	12	11	11	11	11
Shared Municipal Services:							
Local governments assisted	675	700	700	700	700	700	700
Job Training and Human Services:							
Persons Participating:							
Community Services Block Grant	244,844	268,000	268,000	268,000	288,000	288,000	288,000
Job Placement Program:							
Persons placed (Supported Work)	1,425	1,350	1,350	1,350	1,350	1,350	1,350
Family Savings Accounts:							
Families Participating	1,500	1,500	2,700	2,700	2,700	2,700	2,700
Enterprise Zones:							
Private business investment leveraged (in thousands)	\$111,450	\$102,150	\$62,700	\$46,440	\$46,440	\$46,440	\$46,440
Jobs created/retained	4,320	3,700	2,500	1,850	1,850	1,850	1,850
Average revolving loan fund capitalization (in thousands)	\$1,398	\$1,425	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450

Rehabilitation of existing units increased compared to last year's projection since grantees have allocated a greater percentage of their funds for rehabilitation than for other eligible uses.

Persons participating in Community Services Block Grant is decreasing from last year's budget projection due to changes in the program which provide more individualized services and a new tracking system which eliminates double counting.

Persons placed in the Supported Work Program decreased compared to last year's projection due to cost of living increases.

Enterprise Zone private business investment leveraged and jobs created/retained increased compared to last year's projection due to larger approved projects in which the private sector investment and jobs are significantly increased.

Community and Economic Development

Program: Community Development (continued)

Program Measures: (continued)	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Pennsylvania Housing Finance Agency:							
Approved mortgage assistance loans	1,854	1,600	1,500	1,400	1,400	1,400	1,400
Annual value of assistance loans recorded (in thousands)	\$16,300	\$14,000	\$13,200	\$12,400	\$12,400	\$12,400	\$12,400

Approved mortgage assistance loans and their values increased over the projections in last year's budget because of an increase in the number of applications. Since the loans are not as large and are being repaid sooner, more funds are available sooner to recycle into new loans.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>\$ 22 1,000</p> <p>Land Use Planning Assistance —to continue current program. —PRR — Excelling in the Digital Economy. This Program Revision provides resources for sound land use activities. See the Program Revision following the Business and Job Development program for additional information.</p> <p>\$ 1,022 <i>Appropriation Increase</i></p> <p>\$ 3,000</p> <p>Housing & Redevelopment Assistance —PRR — Excelling in the Digital Economy. This Program Revision provides resources for community revitalization and economic development activities. See the Program Revision following the Business and Job Development program for additional information.</p>	<p>\$ 2,004</p> <p>New Communities —PRR — Excelling in the Digital Economy. This Program Revision consolidates the Enterprise Zone and Main Street programs to create the New Communities program. See the Program Revision following the Business and Job Development program for additional information.</p> <p>\$ -64,660</p> <p>Community Revitalization —nonrecurring projects.</p> <p>\$ -2,000</p> <p>Urban Development —nonrecurring projects.</p> <p>\$ -3,500</p> <p>Community Conservation and Employment —nonrecurring projects.</p>
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All other programs are continued at the current level.

In addition, \$500,000 in Other funds will support low interest loans on a matching basis to municipalities for the purchase of equipment and the purchase, construction, renovation or rehabilitation of facilities.

The Promoting Self-Sufficiency and Responsibility Program Revision following the Income Maintenance program in the Department of Public Welfare provides \$30 million in Federal funds to the Pennsylvania Housing Finance Agency through the Department of Community and Economic Development to expand the availability of affordable housing opportunities for low-income families.

The Promoting Self-Sufficiency and Responsibility Program Revision following the Income Maintenance program in the Department of Public Welfare provides funding to promote asset accumulation by low-income families through matched savings accounts.

This budget also recommends \$4 million in Federal funds to provide low-income families access to computers in community-based settings.

This budget also recommends \$10 million in Federal funds to provide challenge grants to increase the capacity of child care centers in areas with unmet need.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Land Use Planning Assistance	\$ 475	\$ 3,600	\$ 4,622	\$ 4,714	\$ 4,808	\$ 4,904	\$ 5,002
Housing & Redevelopment Assistance	14,000	15,000	18,000	18,000	18,000	18,000	18,000
Community Development Bank	750	750	750	750	750	750	750
Family Savings Accounts	500	1,500	1,500	1,500	1,500	1,500	1,500
Shared Municipal Services	900	900	900	900	900	900	900
New Communities	9,496	9,496	11,500	11,500	11,500	11,500	11,500
Planning Assistance	625	0	0	0	0	0	0
Community Revitalization	84,660	84,660	20,000	20,000	20,000	20,000	20,000
Urban Development	0	2,000	0	0	0	0	0
Community Conservation and Employment	10,000	13,500	10,000	10,000	10,000	10,000	10,000
TOTAL GENERAL FUND	\$ 121,406	\$ 131,406	\$ 67,272	\$ 67,364	\$ 67,458	\$ 67,554	\$ 67,652



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.

Conservation and Natural Resources

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00	2000-01	2001-02
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
General Government:			
General Government Operations.....	\$ 17,536	\$ 31,723	\$ 18,013
(F)Surface Mining Control and Reclamation.....	162	180	180
(F)Topographic and Geologic Survey Grants.....	53	175	175
(F)Bituminous Coal Resources.....	102	230	230
(F)Intermodal Surface Transportation Act.....	3,283	4,000	4,000
(F)Land and Water Conservation Fund.....	734	8,000	17,000
(F)Economic Action Programs.....	43	100	100
(A)Payment for Department Services.....	96	185	135
(A)Water Well Drillers.....	52	65	65
(A)Keystone Recreation, Park and Conservation Fund.....	1,800	1,800	1,800
(A)Internet Record Imaging System.....	12	10	10
(A)Purchasing Card Rebate.....	32	40	40
Subtotal.....	\$ 23,905	\$ 46,508	\$ 41,748
State Parks Operations.....	58,420	60,133	63,114
(F)Recreational Trails.....	486	1,500	1,500
(F)Community Oriented Policing Services.....	65	75	0
(F)January 1996 Storm Disaster - Disaster Assistance.....	642	0	0
(F)September 1999 Storm Disaster - Disaster Assistance.....	0	150	0
(A)PCC Programs - Parks.....	100	400	400
(A)Reimbursement - Sewer System.....	169	175	175
(A)Reimbursement - Kings Gap Use.....	43	75	75
(A)State Parks User Fees.....	11,129	12,157	12,210
(A)Prior Year Revenue - Parks.....	500	500	500
(A)Donations.....	12	10	10
(A)Reimbursement for Services.....	8	95	95
(A)Timber Harvest.....	0	3,600	0
Subtotal.....	\$ 71,574	\$ 78,870	\$ 78,079
State Forests Operations.....	13,728	13,726	16,690
(F)Forest Fire Protection and Control.....	360	400	400
(F)Forestry Incentives and Agriculture Conservation.....	21	50	50
(F)Forest Management and Processing.....	166	300	300
(F)Cooperative Forest Insect and Disease Control.....	250	250	250
(F)Wetland Protection Fund (EA).....	64	200	200
(F)Nonpoint Source - Riparian Buffers (EA).....	29	58	58
(A)Reimbursement for Services.....	352	100	100
(A)Reimbursement - Forest Fires.....	259	350	350
(A)Sale of Vehicles - Forests.....	3	25	25
(A)Private Donations.....	1	35	35
(A)Timber Sales.....	26,550	27,490	27,790
(A)PCC Programs - Forests.....	100	400	400
Subtotal.....	\$ 41,883	\$ 43,384	\$ 46,648
Forest Pest Management.....	2,349	3,587	5,437
(F)Forest Insect and Disease Control.....	1,195	2,000	2,000
(A)Reimbursement from Counties.....	52	100	150
Subtotal.....	\$ 3,596	\$ 5,687	\$ 7,587
Subtotal - State Funds.....	\$ 92,033	\$ 109,169	\$ 103,254
Subtotal - Federal Funds.....	7,655	17,668	26,443
Subtotal - Augmentations.....	41,270	47,612	44,365
Total - General Government.....	\$ 140,958	\$ 174,449	\$ 174,062
Grants and Subsidies:			
Heritage and Other Parks.....	\$ 4,002	\$ 2,750	\$ 3,050
Recreational Trails.....	1,000	1,000	0

Conservation and Natural Resources

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
Annual Fixed Charges - Flood Lands.....	39	42	42
Annual Fixed Charges - Project 70.....	30	35	35
Annual Fixed Charges - Forest Lands.....	2,418	2,450	2,450
Annual Fixed Charges - Park Lands.....	233	450	450
Total - Grants and Subsidies.....	\$ 7,722	\$ 6,727	\$ 6,027
STATE FUNDS.....	\$ 99,755	\$ 115,896	\$ 109,281
FEDERAL FUNDS.....	7,655	17,668	26,443
AUGMENTATIONS.....	41,270	47,612	44,365
GENERAL FUND TOTAL.....	\$ 148,680	\$ 181,176	\$ 180,089
<u>ENVIRONMENTAL STEWARDSHIP FUND:</u>			
<i>General Government:</i>			
Parks & Forest Facility Rehabilitation (EA).....	\$ 20,015	\$ 23,790	\$ 24,771
<i>Grants and Subsidies:</i>			
Community Conservation Grants (EA).....	\$ 4,200	\$ 8,200	\$ 8,193
Natural Diversity Conservation Grants (EA).....	200	300	500
Total - Grants and Subsidies.....	\$ 4,400	\$ 8,500	\$ 8,693
ENVIRONMENTAL STEWARDSHIP FUND TOTAL.....	\$ 24,415	\$ 32,290	\$ 33,464
<u>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</u>			
<i>General Government:</i>			
Park & Forest Facility Rehab. - Realty Transfer (95-96) (EA).....	\$ 932	\$ 0	\$ 0
Park & Forest Facility Rehab. - Realty Transfer (96-97) (EA).....	1,736	1,594	0
Park & Forest Facility Rehab. - Realty Transfer (97-98) (EA).....	6,566	2,415	0
Park & Forest Facility Rehab. - Realty Transfer (98-99) (EA).....	7,951	11,417	0
Park & Forest Facility Rehab. - Realty Transfer (99-00) (EA).....	0	16,455	0
Park & Forest Facility Rehab. - Realty Transfer (00-01) (EA).....	0	0	15,218
Total - General Government.....	\$ 17,185	\$ 31,881	\$ 15,218
<i>Grants and Subsidies:</i>			
Grants for Local Recreation-Realty Transfer Tax (94-95) (EA).....	\$ 3,525	\$ 0	\$ 0
Grants for Local Recreation-Realty Transfer Tax (95-96) (EA).....	4,833	3,619	0
Grants for Local Recreation-Realty Transfer Tax (96-97) (EA).....	6,943	6,625	0
Grants for Local Recreation-Realty Transfer Tax (97-98) (EA).....	9,090	9,111	0
Grants for Local Recreation-Realty Transfer Tax (98-99) (EA).....	3,056	11,653	0
Grants for Local Recreation-Realty Transfer Tax (99-00) (EA).....	0	13,716	0
Grants for Local Recreation-Realty Transfer Tax (00-01) (EA).....	0	0	12,682
Grants to Land Trusts - Realty Transfer Tax (95-96) (EA).....	822	0	0
Grants to Land Trusts - Realty Transfer Tax (96-97) (EA).....	2,598	2,288	0
Grants to Land Trusts - Realty Transfer Tax (97-98) (EA).....	3,398	2,073	0
Grants to Land Trusts - Realty Transfer Tax (98-99) (EA).....	2,971	3,269	0
Grants to Land Trusts - Realty Transfer Tax (99-00) (EA).....	0	5,486	0
Grants to Land Trusts - Realty Transfer Tax (00-01) (EA).....	0	0	5,073
Grants to Zoos - Bond Proceeds (EA).....	5	0	0
Total - Grants and Subsidies.....	\$ 37,241	\$ 57,840	\$ 17,755
KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL.....	\$ 54,426	\$ 89,721	\$ 32,973

Conservation and Natural Resources

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00	2000-01	2001-02
	ACTUAL	AVAILABLE	BUDGET
<u>MOTOR LICENSE FUND:</u>			
<i>General Government:</i>			
Dirt and Gravel Road.....	\$ 1,000	\$ 1,000	\$ 1,000
<i>Grants and Subsidies:</i>			
(R)Forestry Bridges - Excise Tax (EA).....	\$ 4,179	\$ 4,000	\$ 3,191
STATE FUNDS.....	\$ 1,000	\$ 1,000	\$ 1,000
RESTRICTED REVENUES.....	4,179	4,000	3,191
MOTOR LICENSE FUND TOTAL.....	\$ 5,179	\$ 5,000	\$ 4,191
<u>OTHER FUNDS:</u>			
GENERAL FUND:			
Snowmobile Regulation.....	\$ 1,244	\$ 3,000	\$ 3,422
Forest Regeneration.....	2,076	4,850	5,100
Ohiopyle State Park Water Treatment System.....	46	232	544
Forest Lands Beautification Act.....	548	2,500	1,500
GENERAL FUND TOTAL.....	\$ 3,914	\$ 10,582	\$ 10,566
ENVIRONMENTAL EDUCATION FUND:			
General Operations (EA).....	\$ 74	\$ 100	\$ 104
OIL AND GAS LEASE FUND:			
General Operations.....	\$ 4,893	\$ 7,000	\$ 6,000
WILD RESOURCE CONSERVATION FUND:			
General Operations (EA).....	\$ 945	\$ 1,100	\$ 950
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 99,755	\$ 115,896	\$ 109,281
SPECIAL FUNDS.....	79,841	123,011	67,437
FEDERAL FUNDS.....	7,655	17,668	26,443
AUGMENTATIONS.....	41,270	47,612	44,365
RESTRICTED.....	4,179	4,000	3,191
OTHER FUNDS.....	9,826	18,782	17,620
TOTAL ALL FUNDS.....	\$ 242,526	\$ 326,969	\$ 268,337

Conservation and Natural Resources

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
PARKS AND FORESTS MANAGEMENT							
GENERAL FUND.....	\$ 99,755	\$ 115,896	\$ 109,281	\$ 108,673	\$ 110,324	\$ 112,417	\$ 114,551
SPECIAL FUNDS.....	79,841	123,011	67,437	67,921	69,433	38,067	39,733
FEDERAL FUNDS.....	7,655	17,668	26,443	26,443	26,443	26,443	26,443
OTHER FUNDS.....	55,275	70,394	65,176	66,667	68,477	70,369	72,344
SUBCATEGORY TOTAL.....	\$ 242,526	\$ 326,969	\$ 268,337	\$ 269,704	\$ 274,677	\$ 247,296	\$ 253,071
ALL PROGRAMS:							
GENERAL FUND.....	\$ 99,755	\$ 115,896	\$ 109,281	\$ 108,673	\$ 110,324	\$ 112,417	\$ 114,551
SPECIAL FUNDS.....	79,841	123,011	67,437	67,921	69,433	38,067	39,733
FEDERAL FUNDS.....	7,655	17,668	26,443	26,443	26,443	26,443	26,443
OTHER FUNDS.....	55,275	70,394	65,176	66,667	68,477	70,369	72,344
DEPARTMENT TOTAL.....	\$ 242,526	\$ 326,969	\$ 268,337	\$ 269,704	\$ 274,677	\$ 247,296	\$ 253,071

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 and 2 conservation areas in 62 counties. Over 250,000 acres of land and 33,500 acres of water are within these parks. They attract over 35 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 element 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. Gypsy moth populations during 2001-02 are expected to be at the highest level in a decade. Moreover, the outbreak will be more centralized than usual, causing daunting logistical problems in treatment. Approximately 170,000 acres have been identified in advance as qualifying

for treatment. With burgeoning populations of gypsy moth and other insects, the need for intervention will remain as it is difficult to predict these population increases.

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:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Management of Recreation Facilities and Areas							
State park attendance in visitor days (in thousands)	36,712	35,500	36,500	36,500	36,500	36,500	36,500
Major maintenance or restoration projects completed	154	94	85	85	85	85	85
Keystone Recreation, Park and Conservation Fund projects completed	64	28	23	26	20	20	20
Environmental Stewardship Fund projects completed	18	13	19	24	28	28	28
Management of Forest Resources							
Forest fires	1,404	1,000	1,000	1,000	1,000	1,000	1,000
Acres of private timber land affected by professional assistance	2,459,234	2,400,000	2,000,000	1,500,000	1,000,000	1,000,000	1,000,000
Acres receiving insect suppression	106,724	170,249	170,000	170,000	170,000	170,000	170,000
Recreational and Conservation Programs							
Keystone Recreation, Park and Conservation Fund Grants	319	450	400	400	400	400	400
Heritage Park Grants	77	89	90	90	90	90	90

Keystone Recreation, Park and Conservation Fund and Environmental Stewardship Fund projects completed decrease from projections shown in last year's budget due to fewer but significantly larger and more expensive projects being completed.

Forest fires increased in 1990-00 over the projection shown in last year's budget because of unusually dry conditions.

Acres of private timber land affected by professional assistance and acres receiving insect suppression increase significantly over projections shown in last year's budget because of new estimates that show a growing insect population and the need for an enhanced spraying program.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND		State Parks Operations	
General Government Operations			
\$ 685	—Initiative — New Networking System. To develop an information technology network infrastructure.	\$ 716	—Initiative — Nescopeck State Park. To provide equipment and administrative support for the new Nescopeck State Park facilities.
325	—Initiative — PA Outdoors Discovery Maps. To produce a series of regional outdoor recreation guides for distribution on the PAPowerPort.	250	—Initiative — State Parks National Advertising. To launch a national print media campaign promoting Pennsylvania State Parks.
199	—Initiative — Water Resource Assistance. To provide additional groundwater use assistance to counties in support of the sound land use program.	2,015	—to continue current program.
176	—Initiative — Improve Customer Service. To provide administrative support for radio operations, telecommunications and the parks reservation system.	\$ 2,981	<i>Appropriation Increase</i>
150	—Initiative — Greenways Clearinghouse. To create an internet-based information clearinghouse on Pennsylvania greenways.	\$ 2,424	State Forests Operations
780	—to continue current program.	540	—Initiative — Improving Visitor Services in State Forests. To provide full-time Forest Rangers to enhance visitor services and public safety in State Forests.
-16,025	—nonrecurring Statewide mobile radio and microwave system.	\$ 2,964	—to continue current program.
\$ -13,710	<i>Appropriation Decrease</i>	\$ 1,564	Forest Pest Management
		286	—Initiative — Forest Insect Pest Suppression. To provide additional gypsy moth spraying to reduce the insect population.
		\$ 1,850	—to continue current program.
			<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)

\$	300	Heritage and Other Parks —Initiative — White Haven-Lehigh Gorge Trail. To complete the White Haven-Lehigh Gorge Trail.	\$	-7	Community Conservation Grants —nonrecurring grants.
\$	-1,000	Recreational Trails —nonrecurring projects.	\$	200	Natural Diversity Conservation Grants —for additional grants for natural diversity conservation projects as part of the Growing Greener initiative.
\$	981	ENVIRONMENTAL STEWARDSHIP FUND Parks and Forest Facility Rehabilitation —for additional repair and maintenance projects related to the Growing Greener initiative.			

This budget commits \$33,464,000 from the Environmental Stewardship Fund for environmental projects related to the Growing Greener initiative.

In addition, \$443,000 in Other funds will provide full-time Forest Rangers to enhance visitor services and public safety in State Forests.

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 levels.



Includes the accomplishment of the PRIME recommendation to redesign the Keystone Grant Process. Through a combination of revamping the grant application form and the contract preparation and approval process, it now requires 30 days to finalize a grant instead of over 6 months under the previous system.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
General Government Operations	\$ 17,536	\$ 31,723	\$ 18,013	\$ 17,378	\$ 17,572	\$ 17,924	\$ 18,283
State Parks Operations	58,420	60,133	63,114	64,393	65,426	66,734	68,069
State Forests Operations	13,728	13,726	16,690	15,630	15,943	16,262	16,587
Forest Pest Management	2,349	3,587	5,437	5,545	5,656	5,770	5,885
Heritage and Other Parks	4,002	2,750	3,050	2,750	2,750	2,750	2,750
Recreational Trails	1,000	1,000	0	0	0	0	0
Annual Fixed Charges - Flood Lands	39	42	42	42	42	42	42
Annual Fixed Charges - Project 70	30	35	35	35	35	35	35
Annual Fixed Charges - Forest Lands	2,418	2,450	2,450	2,450	2,450	2,450	2,450
Annual Fixed Charges - Park Lands	233	450	450	450	450	450	450
TOTAL GENERAL FUND	\$ 99,755	\$ 115,896	\$ 109,281	\$ 108,673	\$ 110,324	\$ 112,417	\$ 114,551
ENVIRONMENTAL STEWARDSHIP FUND:							
Parks & Forest Facility Rehabilitation (EA)	\$ 20,015	\$ 23,790	\$ 24,771	\$ 25,017	\$ 25,017	\$ 0	\$ 0
Community Conservation Grants (EA)	4,200	8,200	8,193	7,500	7,500	0	0
Natural Diversity Conservation Grants (EA)	200	300	500	500	500	0	0
TOTAL ENVIRONMENTAL STEWARDSHIP FUND	\$ 24,415	\$ 32,290	\$ 33,464	\$ 33,017	\$ 33,017	\$ 0	\$ 0

Conservation and Natural Resources

Program: Parks and Forests Management (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:							
Park & Forest Facility Rehab —							
Realty Transfer (EA)	\$ 17,185	\$ 31,881	\$ 15,218	\$ 15,648	\$ 16,346	\$ 17,108	\$ 17,877
Grants for Local Recreation —							
Realty Transfer Tax (EA)	27,447	44,724	12,682	13,040	13,621	14,256	14,897
Grants to Land Trusts —							
Realty Transfer Tax (EA)	9,789	13,116	5,073	5,216	5,449	5,703	5,959
Grants to Zoos - Bond Proceeds (EA)	5	0	0	0	0	0	0
TOTAL KEYSTONE RECREATION, PARK AND CONSERVATION FUND	\$ 54,426	\$ 89,721	\$ 32,973	\$ 33,904	\$ 35,416	\$ 37,067	\$ 38,733
 MOTOR LICENSE FUND:							
Dirt and Gravel Road	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000



DEPARTMENT OF CORRECTIONS

The mission of the Department of Corrections is to protect the public by confining persons committed to the departments custody in safe, secure facilities, and to provide opportunities for inmates to acquire the skills and values necessary to become productive law-abiding citizens; while respecting the rights of crime victims.

The department maintains a State system for the custody and rehabilitation of convicted criminals. Included within this system are residential programs and pre-release programs to provide inmates with supervision, counseling and treatment to enable them to satisfactorily adjust to society.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	2001-02 State Funds (in thousands)
Protecting Public Safety		
	Medical Care.....	\$ 488
	Inmate Education and Training.....	1,439
	State Correctional Institutions.....	<u>7,486</u>
	Program Revision Subtotal.....	<u>\$ 9,413</u>

This Program Revision provides resources to expand vocational education and therapeutic community programs at State Correctional Institutions, increase prison capacity at SCI Laurel Highlands, expand correctional support and provide personal alarm reporting systems at four State Correctional Institutions. A total of \$23.9 million in State and other funds is provided by this Program Revision across five agencies.

Department Total.....	\$ <u>9,413</u>
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Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00	2000-01	2001-02
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
<i>Institutional:</i>			
General Government Operations.....	\$ 30,849	\$ 38,056	\$ 35,903
(F)DCSI - Violent Crime Victims(EA).....	13	41	40
(F)DCSI - Inmate Records(EA).....	79	100	75
(F)DCSI - Data Information Transfer(EA).....	80	250	0
(F)DCSI - Electronic Inmate File System(EA).....	169	225	0
(F)Federal Inmates.....	25	25	25
(A)County Training.....	160	175	175
(A)Purchasing Card Rebates.....	4	10	10
(A)Augmentations from State Agencies.....	11	135	20
Subtotal.....	\$ 31,390	\$ 39,017	\$ 36,248
Medical Care.....	130,003	138,874	144,749
(A)Medical Co-payment.....	249	330	330
(A)Purchasing Card Rebates.....	3	0	0
Subtotal.....	\$ 130,255	\$ 139,204	\$ 145,079
Inmate Education and Training.....	28,755	32,646	35,587
(F)Library Services.....	0	78	50
(F)Youth Offenders Education.....	274	327	432
(F)Correctional Education.....	1,009	1,370	1,254
(A)JTPA - Matching Funds.....	175	0	0
(A)Reimbursement for services.....	3	0	0
Subtotal.....	\$ 30,216	\$ 34,421	\$ 37,323
State Correctional Institutions.....	940,031	966,308	1,008,771
(F)SABG - Drug and Alcohol Programs.....	2,100	2,100	2,100
(F)DCSI - Therapeutic Community(EA).....	6	75	300
(F)DCSI - Ionscan(EA).....	37	18	0
(F)DCSI - Employment Opportunities(EA).....	0	750	375
(F)DCSI - Virtual Visitation(EA).....	0	0	120
(F)DCSI - Adult Interactive Living(EA).....	0	140	325
(F)DCSI - Intervention Training(EA).....	0	18	0
(F)DCSI - Video Conferencing(EA).....	18	89	0
(F)Reimbursement for Alien Inmates.....	8,230	5,900	5,500
(F)Forensic Community.....	0	100 ^a	200
(F)RSAT - Drug Treatment(EA).....	381	1,616	1,616
(F)Truth in Sentencing(EA).....	47,160	64,303	16,800
(A)Community Service Centers.....	562	580	580
(A)Institutional Reimbursements.....	47	185	159
(A)Purchasing Card Rebates.....	86	182	125
(A)Rockview Dirt Sale.....	681	400	0
Subtotal.....	\$ 999,339	\$ 1,042,764	\$ 1,036,971
Subtotal - State Funds.....	\$ 1,129,638	\$ 1,175,884	\$ 1,225,010
Subtotal - Federal Funds.....	59,581	77,525	29,212
Subtotal - Augmentations.....	1,981	1,997	1,399
Total - Institutional.....	\$ 1,191,200	\$ 1,255,406	\$ 1,255,621
STATE FUNDS.....	\$ 1,129,638	\$ 1,175,884	\$ 1,225,010
FEDERAL FUNDS.....	59,581	77,525	29,212
AUGMENTATIONS.....	1,981	1,997	1,399
GENERAL FUND TOTAL.....	\$ 1,191,200	\$ 1,255,406	\$ 1,255,621

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
<u>OTHER FUNDS:</u>			
LOCAL CRIMINAL JUSTICE FUND:			
County Grants(EA).....	\$ 1,971	\$ 3,000	\$ 1,400
MANUFACTURING FUND:			
General Operations(EA).....	\$ 37,727	\$ 41,062	\$ 45,000
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 1,129,638	\$ 1,175,884	\$ 1,225,010
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	59,581	77,525	29,212
AUGMENTATIONS.....	1,981	1,997	1,399
OTHER FUNDS.....	39,698	44,062	46,400
TOTAL ALL FUNDS.....	\$ 1,230,898	\$ 1,299,468	\$ 1,302,021

^a Includes recommended supplemental appropriation of \$100,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
INSTITUTIONALIZATION OF OFFENDERS							
GENERAL FUND.....	\$ 1,129,638	\$ 1,175,884	\$ 1,225,010	\$ 1,256,789	\$ 1,302,087	\$ 1,358,421	\$ 1,407,352
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	59,581	77,525	29,212	29,212	29,212	29,212	29,212
OTHER FUNDS.....	41,679	46,059	47,799	48,328	49,275	50,240	51,224
SUBCATEGORY TOTAL.....	\$ 1,230,898	\$ 1,299,468	\$ 1,302,021	\$ 1,334,329	\$ 1,380,574	\$ 1,437,873	\$ 1,487,788
ALL PROGRAMS:							
GENERAL FUND.....	\$ 1,129,638	\$ 1,175,884	\$ 1,225,010	\$ 1,256,789	\$ 1,302,087	\$ 1,358,421	\$ 1,407,352
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	59,581	77,525	29,212	29,212	29,212	29,212	29,212
OTHER FUNDS.....	41,679	46,059	47,799	48,328	49,275	50,240	51,224
DEPARTMENT TOTAL.....	\$ 1,230,898	\$ 1,299,468	\$ 1,302,021	\$ 1,334,329	\$ 1,380,574	\$ 1,437,873	\$ 1,487,788

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 36,810 inmates housed in the State system at the end of December 2000 with a multiple occupancy strategy capacity of 33,180.

During 2000, institutional capacity increases occurred with:

- The completion of renovations at SCI Cambridge Springs providing an additional 182 beds.
- Construction of two new cell blocks at SCI Somerset providing 460 beds.
- The addition of 16 community corrections beds for females.

The following institutional change is planned for the first six months of 2001:

- The opening of SCI Pine Grove which will provide 600 beds for young adult offenders.

The State's prison expansion program is continuing in 2001-02 with:

- The completion of renovations at SCI Laurel Highlands providing an additional 350 beds.
- Construction of a new housing unit at SCI Graterford with 148 beds.
- Completion of renovations at SCI Waymart providing 68 additional beds.
- Construction of a new housing unit at SCI Rockview with 148 beds.
- Completion of a new restricted housing unit at SCI Muncy with 36 beds.

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 programs are 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 locations. Efforts are also underway to expand Correctional Industries and to increase the use of inmates in performing institutional maintenance.

Program: Institutionalization of Offenders (continued)

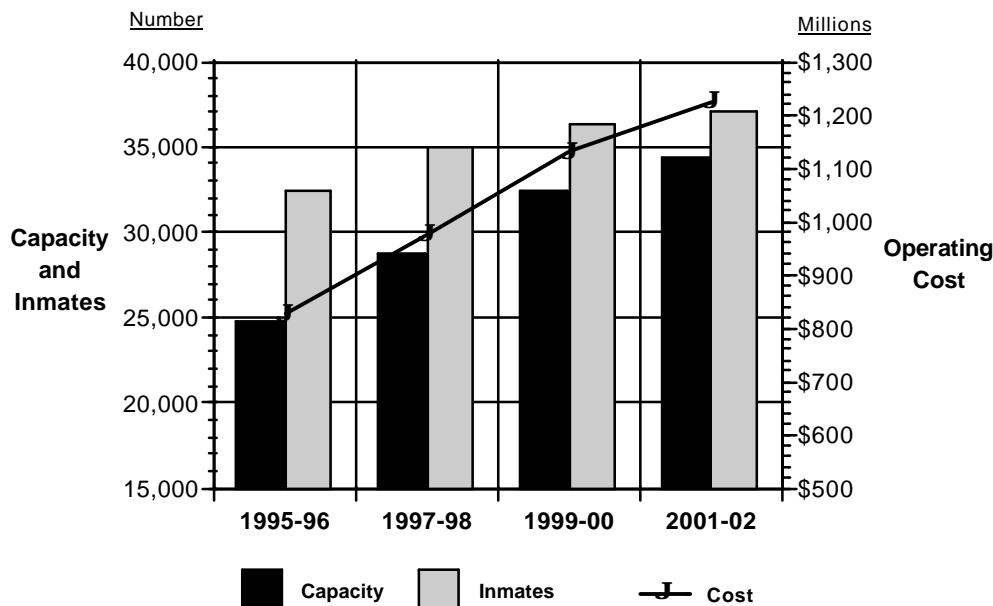
Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Inmates (December)	36,384	36,810	36,999	37,047	37,368	37,610	37,868
Prison Multiple Occupancy Capacity (December)	32,384	33,180	34,331	36,197	36,422	37,458	37,458
Inmates in excess of Multiple Occupancy Capacity	4,000	3,630	2,668	850	946	152	410
Inmates receiving high school diplomas/GED's	1,289	1,250	1,250	1,300	1,350	1,400	1,400
Inmates involved in work programs	24,619	24,917	25,250	25,300	25,325	25,340	25,350
Inmates receiving educational training	9,162	9,852	10,317	10,542	10,550	10,570	10,575
Inmates receiving drug and alcohol treatment programs	14,055	14,640	15,370	16,135	16,935	17,860	18,860

Inmate population projections are from a study by the Correctional Population Projection Committee. The committee's September 2000 forecast projects a more modest population growth than in previous forecasts. The committee's data shows fewer violent offenders and more drug and property offenders being admitted to prison. The drug and property offenders are expected to serve less time in prison than the violent offenders.

Multiple Occupancy Strategy (MOS) is an adopted strategy to house offenders at levels above the single cell capacity. It is based on an assessment of the square footage and assigned security level of a designated housing area, and replaces the single cell capacity numbers shown in prior budgets. The MOS capacity is recommended by the Performance Security Review Panel (McCotter Panel). This panel was recommended by the American Correctional Association to evaluate the Pennsylvania Department of Correction's security operations. The panel was appointed by the Secretary of the Department of Corrections, with the full support of the Office of the Governor.

Inmates receiving high school diplomas/GEDs and inmates involved in work programs decrease from the projections shown in last year's budget because the projections for inmates in State correctional institutions has decreased from last year's budget.

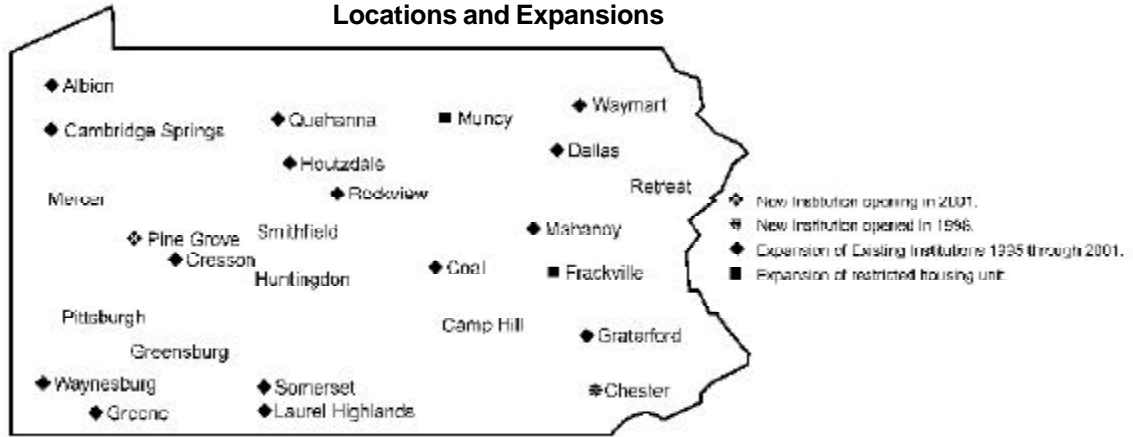
State Correctional Institutions Capacity, Inmate Population and Operating Costs



The cost of operating the State correctional institution system has increased from \$826 million in 1995-96 to over \$1.2 billion in 2001-02. During this timeframe, the inmate population is projected to increase from 32,410 to 36,999 and the multiple occupancy capacity from 24,773 to an estimated 34,331

Program: Institutionalization of Offenders (continued)

State Correctional Institutions Locations and Expansions



Population and Capacity Institutions	Population Dec 2000	Estimated Population Dec 2001	Capacity Dec 2000	Estimated Capacity Dec 2001
Albion.....	1,976	1,970	1,982	1,982
Cambridge Springs.....	655	647	764	764
Camp Hill.....	3,287	3,204	3,022	3,022
Chester.....	873	885	1,096	1,096
Coal Township.....	1,676	1,635	1,471	1,471
Cresson.....	1,303	1,201	888	888
Dallas.....	1,896	1,866	1,310	1,310
Frackville.....	1,007	968	1,075	1,075
Graterford.....	3,125	3,291	2,446	2,446
Greene.....	1,691	1,677	1,893	1,893
Greensburg.....	838	828	686	686
Houtzdale.....	1,839	1,669	2,036	2,036
Huntingdon.....	1,935	1,923	1,412	1,412
Laurel Highlands.....	371	538	434	839
Mahanoy.....	1,979	1,959	1,985	1,985
Mercer.....	1,064	1,050	922	922
Muncy.....	841	867	913	843
Pine Grove.....	0	600	0	600
Pittsburgh.....	1,747	1,745	1,720	1,720
Quehanna.....	231	179	230	230
Retreat.....	844	823	810	810
Rockview.....	1,894	1,862	1,062	1,210
Smithfield.....	1,204	1,189	768	768
Somerset.....	1,976	1,965	1,985	1,985
Waymart.....	1,278	1,329	1,267	1,335
Waynesburg.....	478	461	483	483
Community Centers.....	784	616	520	520
Other jurisdictions.....	18	52
Total.....	36,810	36,999	33,180	34,331

SCI Pine Grove is scheduled to open during the latter half of the 2000-01 fiscal year.

Program: Institutionalization of Offenders (continued)

Expenditures by Institution: (Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget		1999-00 Actual	2000-01 Available	2001-02 Budget
Albion				Graterford			
State Funds.....	\$ 50,907	\$ 53,416	\$ 55,420	State Funds.....	\$ 89,181	\$ 91,285	\$ 95,171
Federal Funds.....	123	120	117	Federal Funds.....	11,989	16,480	4,885
Augmentations.....	12	18	16	Augmentations.....	27	43	39
TOTAL.....	<u>\$ 51,042</u>	<u>\$ 53,554</u>	<u>\$ 55,553</u>	TOTAL.....	<u>\$ 101,197</u>	<u>\$ 107,808</u>	<u>\$ 100,095</u>
Cambridge Springs				Greene			
State Funds.....	\$ 19,779	\$ 21,825	\$ 22,538	State Funds.....	\$ 60,285	\$ 59,050	\$ 61,237
Federal Funds.....	166	343	366	Federal Funds.....	296	270	258
Augmentations.....	38	18	16	Augmentations.....	11	15	14
TOTAL.....	<u>\$ 19,983</u>	<u>\$ 22,186</u>	<u>\$ 22,920</u>	TOTAL.....	<u>\$ 60,592</u>	<u>\$ 59,335</u>	<u>\$ 61,509</u>
Camp Hill				Greensburg			
State Funds.....	\$ 74,337	\$ 75,800	\$ 79,223	State Funds.....	\$ 25,880	\$ 30,620	\$ 31,588
Federal Funds.....	595	528	500	Federal Funds.....	5,961	8,140	2,502
Augmentations.....	69	54	51	Augmentations.....	35	12	10
TOTAL.....	<u>\$ 75,001</u>	<u>\$ 76,382</u>	<u>\$ 79,774</u>	TOTAL.....	<u>\$ 31,876</u>	<u>\$ 38,772</u>	<u>\$ 34,100</u>
Chester				Houtzdale			
State Funds.....	\$ 27,180	\$ 27,625	\$ 28,524	State Funds.....	\$ 40,499	\$ 41,240	\$ 42,884
Federal Funds.....	74	88	84	Federal Funds.....	241	323	246
Augmentations.....	13	24	18	Augmentations.....	13	20	18
TOTAL.....	<u>\$ 27,267</u>	<u>\$ 27,737</u>	<u>\$ 28,626</u>	TOTAL.....	<u>\$ 40,753</u>	<u>\$ 41,583</u>	<u>\$ 43,148</u>
Coal Township				Huntingdon			
State Funds.....	\$ 49,407	\$ 51,438	\$ 53,229	State Funds.....	\$ 50,268	\$ 49,840	\$ 51,414
Federal Funds.....	261	220	237	Federal Funds.....	527	841	824
Augmentations.....	20	28	26	Augmentations.....	13	23	20
TOTAL.....	<u>\$ 49,688</u>	<u>\$ 51,686</u>	<u>\$ 53,492</u>	TOTAL.....	<u>\$ 50,808</u>	<u>\$ 50,704</u>	<u>\$ 52,258</u>
Cresson				Laurel Highlands			
State Funds.....	\$ 35,612	\$ 36,215	\$ 37,390	State Funds.....	\$ 24,783	\$ 26,240	\$ 29,357
Federal Funds.....	5,983	8,077	2,214	Federal Funds.....	126	113	109
Augmentations.....	14	17	15	Augmentations.....	3	4	4
TOTAL.....	<u>\$ 41,609</u>	<u>\$ 44,309</u>	<u>\$ 39,619</u>	TOTAL.....	<u>\$ 24,912</u>	<u>\$ 26,357</u>	<u>\$ 29,470</u>
Dallas				Mahanoy			
State Funds.....	\$ 51,908	\$ 52,883	\$ 54,548	State Funds.....	\$ 49,731	\$ 51,398	\$ 53,328
Federal Funds.....	381	350	331	Federal Funds.....	125	186	149
Augmentations.....	45	30	25	Augmentations.....	11	14	14
TOTAL.....	<u>\$ 52,334</u>	<u>\$ 53,263</u>	<u>\$ 54,904</u>	TOTAL.....	<u>\$ 49,867</u>	<u>\$ 51,598</u>	<u>\$ 53,491</u>
Frackville				Mercer			
State Funds.....	\$ 28,580	\$ 30,351	\$ 31,826	State Funds.....	\$ 27,674	\$ 29,410	\$ 30,368
Federal Funds.....	129	114	106	Federal Funds.....	15,411	20,913	5,543
Augmentations.....	7	13	10	Augmentations.....	27	15	14
TOTAL.....	<u>\$ 28,716</u>	<u>\$ 30,478</u>	<u>\$ 31,942</u>	TOTAL.....	<u>\$ 43,112</u>	<u>\$ 50,338</u>	<u>\$ 35,925</u>

Program: Institutionalization of Offenders (continued)

Expenditures by Institution: (Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget		1999-00 Actual	2000-01 Available	2001-02 Budget
Muncy				Somerset			
State Funds.....	\$ 35,251	\$ 35,152	\$ 36,477	State Funds.....	\$ 51,379	\$ 54,035	\$ 56,194
Federal Funds.....	306	409	579	Federal Funds.....	228	197	188
Augmentations.....	41	37	33	Augmentations.....	13	20	17
TOTAL.....	<u>\$ 35,598</u>	<u>\$ 35,598</u>	<u>\$ 37,089</u>	TOTAL.....	<u>\$ 51,620</u>	<u>\$ 54,252</u>	<u>\$ 56,399</u>
Pine Grove				Waymart			
State Funds.....	\$ 2,973	\$ 10,625	\$ 22,117	State Funds.....	\$ 50,773	\$ 53,320	\$ 55,168
Federal Funds.....	174	206	221	Federal Funds.....	259	284	268
Augmentations.....	1	8	7	Augmentations.....	11	19	15
TOTAL.....	<u>\$ 3,148</u>	<u>\$ 10,839</u>	<u>\$ 22,345</u>	TOTAL.....	<u>\$ 51,043</u>	<u>\$ 53,623</u>	<u>\$ 55,451</u>
Pittsburgh				Waynesburg			
State Funds.....	\$ 58,668	\$ 59,733	\$ 61,639	State Funds.....	\$ 14,212	\$ 14,682	\$ 15,159
Federal Funds.....	188	241	172	Federal Funds.....	114	98	93
Augmentations.....	18	26	23	Augmentations.....	4	6	5
TOTAL.....	<u>\$ 58,874</u>	<u>\$ 60,000</u>	<u>\$ 61,834</u>	TOTAL.....	<u>\$ 14,330</u>	<u>\$ 14,786</u>	<u>\$ 15,257</u>
Quehanna Boot Camp				Community Centers			
State Funds.....	\$ 8,754	\$ 10,980	\$ 11,346	State Funds.....	\$ 52,120	\$ 51,750	\$ 53,903
Federal Funds.....	60	49	47	Federal Funds.....	124	1,200	1,165
Augmentations.....	5	7	6	Augmentations.....	563	581	582
TOTAL.....	<u>\$ 8,819</u>	<u>\$ 11,036</u>	<u>\$ 11,399</u>	TOTAL.....	<u>\$ 52,807</u>	<u>\$ 53,531</u>	<u>\$ 55,650</u>
Retreat				Training Academy			
State Funds.....	\$ 26,738	\$ 27,747	\$ 28,643	State Funds.....	\$ 4,498	\$ 5,056	\$ 5,215
Federal Funds.....	104	175	141	Federal Funds.....	0	0	0
Augmentations.....	6	9	8	Augmentations.....	171	185	185
TOTAL.....	<u>\$ 26,848</u>	<u>\$ 27,931</u>	<u>\$ 28,792</u>	TOTAL.....	<u>\$ 4,669</u>	<u>\$ 5,241</u>	<u>\$ 5,400</u>
Rockview				Central Office			
State Funds.....	\$ 49,865	\$ 52,222	\$ 53,903	State Funds.....	\$ 35,593	\$ 38,554	\$ 31,539
Federal Funds.....	8,887	12,180	3,327	Federal Funds.....	6,394	5,096	4,272
Augmentations.....	733	432	29	Augmentations.....	46	303	164
TOTAL.....	<u>\$ 59,485</u>	<u>\$ 64,834</u>	<u>\$ 57,259</u>	TOTAL.....	<u>\$ 42,033</u>	<u>\$ 43,953</u>	<u>\$ 35,975</u>
Smithfield				Other jurisdictions			
State Funds.....	\$ 31,563	\$ 31,992	\$ 34,286	State Funds.....	\$ 1,240	\$ 1,400	\$ 1,376
Federal Funds.....	355	284	268	Federal Funds.....	0	0	0
Augmentations.....	11	16	15	Augmentations.....	0	0	0
TOTAL.....	<u>\$ 31,929</u>	<u>\$ 32,292</u>	<u>\$ 34,569</u>	TOTAL.....	<u>\$ 1,240</u>	<u>\$ 1,400</u>	<u>\$ 1,376</u>

Program: Institutionalization of Offenders (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	General Government Operations		State Correctional Institutions
\$ 5,272	—for information technology needs including additional network resources, video conferencing and expansion of computerization in the community corrections centers.	\$ 7,260	—PRR — Protecting Public Safety. This Program Revision provides resources to operate SCI Laurel Highlands, increases food service and security staffing at other institutions and funds four personal alarm reporting systems for correctional staff. See the Program Revision following this program for additional information.
2,590	—to continue current program.		
-10,015	—nonrecurring equipment purchases.		
\$ -2,153	<i>Appropriation Decrease</i>	226	—PRR — Protecting Public Safety. This Program Revision provides four new therapeutic community treatment programs for inmates during the last stages of their incarceration. See the Program Revision following this program for additional information.
	Medical Care		
\$ 488	—PRR — Protecting Public Safety. This Program Revision provides administrative resources for healthcare services at SCI Laurel Highlands. See the Program Revision following this program for additional information.	14,047	—to continue current program.
1,234	—Initiative — Expanded Hepatitis Vaccinations. To provide Hepatitis A and B vaccinations to all staff and inmates on a voluntary basis.	11,675	—to provide for the full-year cost of housing units opened in 2000-01.
4,153	—to continue current program.	6,947	—for information technology enhancements.
\$ 5,875	<i>Appropriation Increase</i>	3,322	—for equipment including video security systems, security fencing and general replacement items.
	Inmate Education and Training	2,490	—for the expansion of community housing arrangements.
\$ 1,439	—PRR — Protecting Public Safety. This Program Revision provides resources for traditional and vocational education programming at SCI Laurel Highlands and other state correctional institutions. See the Program Revision following this program for additional information.	-3,504	—nonrecurring radio system and other equipment.
2,889	—to continue current program.	\$ 42,463	<i>Appropriation Increase</i>
-1,387	—nonrecurring operational costs and educational equipment.		
\$ 2,941	<i>Appropriation Increase</i>		

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
General Government Operations	\$ 30,849	\$ 38,056	\$ 35,903	\$ 36,621	\$ 37,353	\$ 38,100	\$ 38,862
Medical Care	130,003	138,874	144,749	150,909	157,664	164,721	172,096
Inmate Education and Training	28,755	32,646	35,587	35,607	36,319	37,046	37,787
State Correctional Institutions	940,031	966,308	1,008,771	1,033,652	1,070,751	1,118,554	1,158,607
GENERAL FUND TOTAL	\$ 1,129,638	\$ 1,175,884	\$ 1,225,010	\$ 1,256,789	\$ 1,302,087	\$ 1,358,421	\$ 1,407,352

Program Revision: Protecting Public Safety

Pennsylvania has addressed the incidence of crime and its impact on its citizens and communities through a three-tiered approach that emphasizes crime prevention, enforcement and rehabilitation. Laws must be enforced, and those who are likely to break those laws must also know that their actions have consequences. At-risk individuals and communities must be nurtured and provided the skills and tools by which they can overcome - rather than be overcome by - crime. And those who have transgressed societal laws must not only take responsibility for their actions but also must have the opportunity to have society's confidence in them be restored. The Commonwealth has adopted this multi-faceted approach to public safety by enacting stricter laws, constitutional amendments and revised sentencing guidelines; making investments in at-risk individuals and communities; and expanding treatment and vocational training opportunities. Its efforts have been successful. The incidence rate of serious crime has yet again dropped; Pennsylvania's communities are more safe and those now leaving correctional institutions are less likely to return. Pennsylvania's citizens and communities have benefited significantly from this approach to public safety and as a result now live in a safer environment.

This Program Revision continues the Commonwealth's commitment to public safety by providing \$23.9 million for increased delinquency and violence prevention programs, expanded law enforcement activities, and increased rehabilitation efforts through treatment and vocational education programming and expanded adult parole services.

Crime Prevention and Intervention

Efforts to protect public safety and prevent crime are often most effective at the local level which involves 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. This Program Revision recommends approximately \$1.8 million for the Governor's Community Partnership for Safe Children to provide Communities That Care planning and assessment grants to 10 new communities, implementation grants to 10 existing communities, and training and technical assistance to both new and existing sites. These funds will also be used to strengthen community collaboration efforts, to expand programmatic interfaces between Communities That Care sites and America's

Promise sites, and to enhance administrative support of the Partnership. In addition, this Program Revision recommends \$2 million for 12 communities 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.

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 support legal efforts designed to improve the quality of life in targeted communities by investigating and litigating against nuisance liquor or drug properties. Leadership training will also be provided for approximately 250 residents of targeted communities.

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 our communities. Specialized probation services provide school and community-based probation, intensive supervision and aftercare services for juvenile offenders, pursuant to Statewide 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 provides \$1.2 million for additional Drug Abuse Resistance Education (DARE) officer training and programming. This new funding will enable 122 additional officers to receive DARE training and will expand DARE programming to include middle and high school-aged youth. Funding will also support programming in Gang Resistance Education and Training and the Special Program to Educate Children on Drug Abuse.

Law Enforcement

Law enforcement units are pivotal to protecting the public and enforcing its laws. While State Police Troopers provide essential support regardless of the functions they perform, they can most effectively enhance public safety by performing law enforcement functions rather than administrative duties. This Program Revision provides \$1.8 million for added civilian support to free Troopers from administrative responsibilities and enable them to conduct criminal law enforcement and traffic patrol duties.

As computer technology becomes more prominent in our society, so too does the need to protect the public from crimes committed using that computer technology.

Program Revision: Protecting Public Safety (continued)

This Program Revision provides \$466,000 for state-of-the-art computer technology, training and administrative support to address increased incidents of criminal activity, such as computer hacking, cyber stalking, child pornography distribution and counterfeiting of computer software.

Increased Prison Capacity and Security Devices

In order to address capacity needs at State Correctional Institutions (SCI), this Program Revision provides \$4.7 million for continued capacity expansions at SCI Laurel Highlands in Somerset County and staffing expansions at various State Correctional Institutions. Two new housing units at SCI Laurel Highlands are scheduled to open in December 2001 and will provide 350 additional beds to house a growing aged and specialty care population.

In addition to the capacity expansion, this Program Revision provides \$3 million for personal alarm reporting systems for staff at SCIs Graterford, Camp Hill, Frackville and Smithfield. All employees who work inside institution perimeters will be provided with equipment that emits a signal during an emergency situation and indicates the location of the individual during that emergency.

Rehabilitation Through Treatment and Vocational Education Programs

The majority of offenders within State Correctional Institutions have drug and alcohol problems, many of which have led to their incarceration. For these individuals, treatment is an essential component of the rehabilitative process and a key to successful reintegration into the community upon release or parole. This Program Revision provides \$226,000 for four additional 50-bed therapeutic communities at various State Correctional Institutions. In therapeutic communities offenders receive intense

treatment in a segregated residential setting during the final stages of their incarceration. When incarceration ends, treatment is then continued in the community. This Program Revision also provides \$2.5 million to increase the availability of behavioral health services for criminal offenders with a dual diagnosis of mental illness and substance abuse problems who are on parole. With appropriate treatment services, the likelihood decreases that these individuals will commit subsequent criminal offenses.

In addition to substance abuse, the lack of marketable job skills also contributes to factors leading to criminal activity. This Program Revision recommends \$1.4 million to expand vocational education programs at various State Correctional Institutions, including SCI Laurel Highlands. Expanded programs will enable offenders to develop basic, functional-level academic skills, acquire jobs skills, form a positive work habit and assist in training offenders to potentially become entry-level workers and wage earners upon release or parole.

Rehabilitation of Adult Offenders

An effective community reintegration strategy is a key component to decreasing the likelihood that former offenders will return to State Correctional Institutions. To assist individuals with the transition back to their communities and to monitor their progress in meeting the conditions of their parole, this Program Revision provides \$1.6 million for additional parole officers Statewide. These additional positions will enable a greater level of contact between parole officers and individuals who are on parole.

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.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Agencies participating in JNET							
Current	10	10	10	10	10	10	10
Program Revision	0	0	12	14	17	17	17
Additional communities participating in the Communities That Care process							
Program Revision	0	0	10	10	10	10	10
Additional communities implementing research-based violence prevention programs							
Program Revision	0	0	22	22	22	22	22
Juvenile probation officers providing specialized probation services							
Current	464	526	526	526	526	526	526
Program Revision	0	0	576	576	576	576	576

Program Revision: Protecting Public Safety (continued)

Program Measures: (continued)	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Juvenile offenders receiving specialized probation services							
Current	11,477	13,222	13,222	13,222	13,222	13,222	13,222
Program Revision	0	0	14,472	14,472	14,472	14,472	14,472
Inmates enrolled in vocational programs							
Current	6,573	6,673	6,775	6,875	6,875	6,875	6,875
Program Revision	0	0	6,995	7,195	7,195	7,195	7,195
Increased capacity at State Correctional Institutions							
Program Revision	0	0	350	350	350	350	350
Additional computer crime examinations and investigations completed							
Program Revision	0	0	600	1,420	1,770	2,120	2,470
Average caseload per parole agent							
Current	64	68	69	70	71	71	72
Program Revision	0	0	62	64	64	65	65

Inmates enrolled in vocational programs is higher in this budget due to the inclusion of inmates enrolled in business education classes.

Program Revision Recommendations:

 This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>GENERAL FUND</p> <p>EXECUTIVE OFFICES</p> <p>Partnership for Safe Children</p> <p>\$ 1,155 —to provide Communities That Care training and technical assistance and planning, assessment and implementation grants to new and existing communities.</p> <p>400 —to enhance the programmatic interfaces between Communities That Care sites and America's Promise sites.</p> <p>231 —to strengthen community collaboration efforts and administrative support.</p> <hr/> <p>\$ 1,786 <i>Appropriation Total</i></p> <p>Research-Based Violence Prevention</p> <p>\$ 2,000 —to implement Communities That Care and other research-based delinquency and violence prevention programs in 12 additional communities.</p> <p>Weed and Seed</p> <p>\$ 1,135 —to assist targeted communities in eliminating drug-related crime and improving the community's social and economic vitality.</p> <p>Specialized Probation Services</p> <p>\$ 2,000 —to expand the availability of specialized probation services, including school-based probation, community-based probation, intensive probation and aftercare.</p>	<p>\$ 1,200</p> <p>\$ 644</p> <p>\$ 488</p> <p>\$ 1,439</p> <p>\$ 7,486</p> <p>\$ 2,500</p>	<p>Drug Education and Law Enforcement</p> <p>—to provide expanded Drug Abuse Resistance Education training and programming.</p> <p>STATE POLICE</p> <p>General Government Operations</p> <p>—to provide civilian administrative support to enable Troopers to perform law enforcement duties and expand the Computer Crime Unit.</p> <p>CORRECTIONS</p> <p>Medical Care</p> <p>—to provide medical services at SCI Laurel Highlands.</p> <p>Inmate Education and Training</p> <p>—to provide vocational education at SCI Laurel Highlands and various other State Correctional Institutions.</p> <p>State Correction Institutions</p> <p>—to provide administrative and operational support at various State Correctional Institutions, increased prison capacity at SCI Laurel Highlands, personal alarm reporting systems at four State Correctional Institutions and additional therapeutic community treatment programs.</p> <p>PUBLIC WELFARE</p> <p>Mental Health Services</p> <p>—to increase the availability of behavioral health services for parolees with dually diagnosed mental illness and substance abuse problems.</p>
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Program Revision: Protecting Public Safety (continued)

Program Revision Recommendations: (continued)

This budget recommends the following changes:
(Dollar Amounts in Thousands)

<p>BOARD OF PROBATION AND PAROLE General Government Operations \$ 1,601 —to provide administrative support for Statewide parole services.</p>	<p>MOTOR LICENSE FUND STATE POLICE General Government Operations \$ 1,370 —to provide civilian administrative support to enable Troopers to perform law enforcement duties and expand the Computer Crime Unit.</p>
<p>\$ 23,649 <i>Program Revision Total</i></p>	

In addition, this budget also recommends \$257,000 in augmentations to the State Police to provide civilian administrative support to enable Troopers to perform law enforcement duties.

Recommended Program Revision Costs by Appropriation:

(Dollar Amounts in Thousands)

	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
GENERAL FUND:							
Executive Offices							
Partnership for Safe Children	\$ 0	\$ 0	\$ 1,786	\$ 2,311	\$ 2,312	\$ 2,313	\$ 2,315
Weed and Seed	0	0	1,135	1,165	1,169	1,172	1,175
Drug Education and Law Enforcement	0	0	1,200	1,200	1,200	1,200	1,200
Research-Based Violence Prevention	0	0	2,000	2,000	2,000	2,000	2,000
Specialized Probation Services	0	0	2,000	2,000	2,000	2,000	2,000
Corrections							
Medical Care	0	0	488	856	873	890	908
Inmate Education and Training	0	0	1,439	776	791	807	823
State Correctional Institutions	0	0	7,486	9,338	9,521	9,709	9,901
Board of Probation and Parole							
General Government Operations	0	0	1,601	2,138	2,181	2,225	2,269
Public Welfare							
Mental Health Services	0	0	2,500	5,000	5,000	5,000	5,000
State Police							
General Government Operations	0	0	644	1,128	1,151	1,174	1,197
GENERAL FUND TOTAL	\$ 0	\$ 0	\$ 22,279	\$ 27,912	\$ 28,198	\$ 28,490	\$ 28,788
MOTOR LICENSE FUND:							
State Police							
General Government Operations	\$ 0	\$ 0	\$ 1,370	\$ 2,398	\$ 2,446	\$ 2,494	\$ 2,544



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	2001-02 State Funds <small>(in thousands)</small>
Improving Our Schools		
	General Government Operations.....	\$ 1,400
	PA Assessment	5,490
	Basic Education.....	151,672
	Performance Incentives.....	36,892
	Technology Initiative.....	5,000
	Teacher Professional Development.....	4,000
	Special Education.....	78,309
	Education Support Services.....	23,600
	Independent Schools.....	2,000
	Technology Leadership Academy.....	<u>1,290</u>
	Program Revision Subtotal.....	<u>\$ 309,653</u>

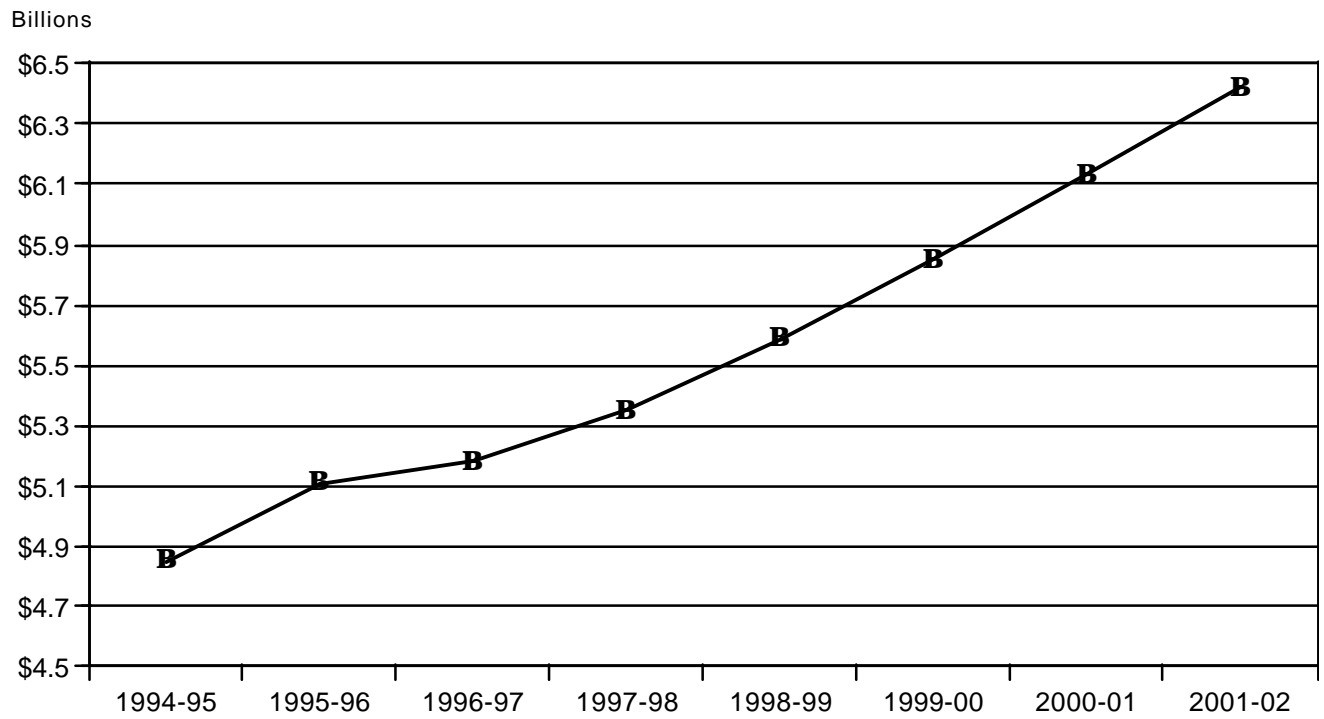
This Program Revision increases support for basic education and special education, expands the performance incentive program, and refines and expands the current academic assessment system. This Program Revision also provides independent school planning grants to school districts, implements education support services for students, develops two new digital school districts, and convenes a technology leadership academy to train school leaders. In addition, this Program Revision expands teacher professional development opportunities to provide teachers with the tools necessary to help students succeed.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Title	Appropriation	2001-02 State Funds <small>(in thousands)</small>
Investing in Pennsylvania's Public Libraries		
	Improvement of Library Services.....	\$ 13,000
	School Library Catalog.....	<u>1,600</u>
	Program Revision Subtotal.....	<u>\$ 14,600</u>
<p>This Program Revision restructures public library funding to enhance local libraries' operating budgets and to create a stronger incentive for county governments to invest in their public libraries. In addition, this Program Revision provides resources to expand participation in the Access Pennsylvania database and for an integrated library system that will maintain the database and allow for continual updates.</p>		
	Department Total.....	<u>\$ 324,253</u>

State Support for Local School Districts



Commonwealth appropriations in direct support of local school districts have increased since 1994-95 by nearly \$1.6 billion.

**Commonwealth Appropriations in
Direct Support of Local School Districts***

(Dollar amounts in thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget
Basic Education Funding.....	\$ 3,677,294	\$ 3,791,813	\$ 3,943,485
Special Education.....	719,500	783,089	861,398
Pupil Transportation.....	386,707	445,092	415,744
School Employees' Social Security.....	350,328	378,820	397,009
Authority Rentals and Sinking Fund Requirements.....	253,766	267,451	276,061
Early Intervention.....	84,719	93,503	98,803
Special Education - Approved Private Schools.....	59,808	61,602	63,450
Vocational Education.....	51,523	53,069	55,378
Nonpublic and Charter School Pupil Transportation.....	56,009	55,392	54,358
Tuition for Orphans and Children Placed in Private Homes.....	40,079	42,960	43,498
Performance Incentives.....	16,769	33,538	36,892
Safe and Alternative Schools.....	31,563	35,200	36,256
School Improvement Grants.....	0	25,000	26,661
Technology Initiative.....	20,150	21,450	26,600
PA Charter Schools for the Deaf and Blind.....	23,847	24,999	25,749
Read to Succeed.....	35,000	25,000	25,000
School Food Services.....	16,719	24,186	24,433
Intermediate Units.....	5,835	6,127	6,311
Teen Pregnancy and Parenthood.....	1,407	1,500	1,725
Administrative/Instructional Consolidation.....	1,500	1,500	1,500
Education Mentoring.....	979	1,200	1,200
Education of Migrant Laborers' Children.....	727	727	751
Homebound Instruction.....	643	662	746
Comprehensive Reading.....	300	300	300
Payments in Lieu of Taxes.....	182	182	180
Education of Indigent Children.....	113	116	116
Vocational Education Equipment Grants.....	0	10,000	0
School District Demonstration Projects.....	12,613	6,700	0
Alternative Education Demonstration Grants.....	0	1,000	0
School-to-Work Opportunities.....	436	500	0
TOTAL.....	\$ 5,848,516	\$ 6,192,678	\$ 6,423,604

* Includes appropriations which are distributed to school districts, intermediate units, area vocational-technical schools and special schools.

In addition to the above funding, decreases in the employer contribution rate for school employees' retirement combined with other estimated cost changes will save local education agencies approximately \$44 million in 2001-02. Over the six-year period 1996-97 through 2001-02 the cumulative savings to local education agencies will be approximately \$1.34 billion.

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00	2000-01	2001-02
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
General Government:			
General Government Operations	\$ 22,673 ^a	\$ 25,856 ^b	\$ 27,820
(F)Adult Basic Education - Administration.....	1,143	1,600	1,600
(F)Education of Exceptional Children.....	6,589	9,750	9,896
(F)Special Education Improvement.....	1,223	2,000	2,000
(F)ESEA-Title I - Administration.....	2,991	6,960	5,000
(F)State Approving Agency (VA).....	737	867	877
(F)Food and Nutrition Service.....	3,719	4,249	4,249
(F)Migrant Education - Administration.....	396	819	495
(F)Emergency Immigrant Education.....	2	20	20
(F)Vocational Education - Administration.....	2,720	3,910	3,910
(F)Professional Development-Title II - Administration/State.....	1,508	2,084	1,284
(F)Byrd Scholarships.....	1,644	1,656	1,656
(F)JTPA - Linkage.....	207	0	0
(F)ESEA-Title VI - Administration/State.....	2,256	3,580	3,580
(F)Homeless Assistance.....	469	2,237	2,085
(F)Preschool Grant.....	680	979	980
(F)DFSC - Administration.....	1,556	2,680	2,066
(F)State Literacy Resource Centers.....	95	120	150
(F)School Health Education Programs.....	209	906	906
(F)School-to-Work Opportunities.....	5,135	3,250	1,000
(F)Learn and Serve America - School Based.....	927	1,010	1,053
(F)Educate America Act - Administration/State.....	1,815	3,828	2,618
(F)Environmental Education Workshops.....	0	70	30
(F)Bilingual Education.....	100	129	110
(F)Charter Schools Initiatives.....	3,169	5,000	4,420
(F)Technology Literacy Challenge - Administration.....	558	1,574	1,465
(F)America Reads Challenge-Administration.....	0	1,000	350
(F)Comprehensive School Reform-Administration.....	129	514	612
(F)Advanced Placement Testing.....	200	350	450
(F)Even Start Family Literacy - Administration.....	7	75	15
(F)ESEA-Title X-Education Partnerships.....	50	356	276
(F)Refugee Children Education.....	80	1,700	1,200
(F)Medical Assistance - Nurses' Aide Training.....	0	251	251
(F)Medical Assistance - Nurses' Aide Program (EA).....	205	0	0
(F)State and Community Highway Safety (EA).....	920	1,100	1,193
(F)Enhanced High School Driver Education (EA).....	5	40	0
(F)CCDFBG-Early Childhood Development.....	0	0	250
(A)Management Services.....	81	67	58
(A)Environmental Education.....	410	460	460
(A)Approved Private Schools.....	151	156	160
(A)National Center for Educational Statistics.....	13	12	12
(A)Early Intervention.....	649	685	649
(A)Teenage Parenting.....	3,062	4,316	4,316
(A)Fatherhood Initiative.....	702	783	783
(A)Nurses' Aid Training.....	241	0	0
(A)Breath Test Equipment Training.....	79	550	23
(A)EPSDT Administration.....	716	721	721
(A)Christa McAuliffe Fellowship Program.....	40	40	40
(A)Telephone Information Services.....	0	35	0
(A)State Collaborative Project.....	0	400	0
Subtotal.....	<u>\$ 70,261</u>	<u>\$ 98,745</u>	<u>\$ 91,089</u>
Information and Technology Improvement	1,238	4,866	7,304
Subtotal.....	<u>\$ 1,238</u>	<u>\$ 4,866</u>	<u>\$ 7,304</u>
PA Assessment	10,221	15,000	20,865
(F)PA Assessment Through Themes (EA).....	3	0	0

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
Subtotal.....	\$ 10,224	\$ 15,000	\$ 20,865
State Library.....	4,068	4,212	4,338
(F)LSTA - Library Development.....	1,205	1,420	1,447
(F)Nuclear Regulatory Commission Documents Support.....	3	0	0
(A)Penalties and Reimbursements.....	7	9	8
(A)Photocopy Service.....	25	28	27
(A)Keystone Fund.....	10	59	78
Subtotal.....	\$ 5,318	\$ 5,728	\$ 5,898
Subtotal - State Funds.....	\$ 38,200	\$ 49,934	\$ 60,327
Subtotal - Federal Funds.....	42,655	66,084	57,494
Subtotal - Augmentations.....	6,186	8,321	7,335
Total - General Government.....	\$ 87,041	\$ 124,339	\$ 125,156
Institutional:			
Youth Development Centers - Education.....	\$ 10,585	\$ 10,688	\$ 10,976
Scranton State School for the Deaf.....	5,253	5,544	5,956
(F)Individuals with Disabilities Education - Scranton.....	53	85	85
(F)School Milk Lunch.....	35	50	50
(F)ESEA - Scranton.....	111	452	452
(F)Life Long Learning.....	0	11	11
(F)Adult Basic Education.....	0	10	10
(A)Cafeteria and Other Fees.....	110	110	110
(A)Tuition Recovery.....	902	903	934
(A)Safe Schools.....	5	21	0
Subtotal.....	\$ 6,469	\$ 7,186	\$ 7,608
Thaddeus Stevens College of Technology.....	7,560	8,061	7,799
(F)Vocational Education.....	135	350	350
(A)Tuition and Fees.....	1,110	1,109	1,109
(A)Higher Education for the Disadvantaged.....	116	116	116
(A)Federal Pell Grant Aid.....	225	225	225
(A)PHEAA Grant Aid.....	650	650	650
Subtotal.....	\$ 9,796	\$ 10,511	\$ 10,249
Subtotal - State Funds.....	\$ 23,398	\$ 24,293	\$ 24,731
Subtotal - Federal Funds.....	334	958	958
Subtotal - Augmentations.....	3,118	3,134	3,144
Total - Institutional.....	\$ 26,850	\$ 28,385	\$ 28,833
Grants and Subsidies:			
Support of Public Schools:			
Basic Education Funding.....	\$ 3,677,294	\$ 3,791,813	\$ 3,943,485
Performance Incentives.....	16,769	33,538	36,892
School Improvement Grants.....	0	25,000	26,661
Education Support Services.....	0	0	23,600
School Readiness.....	0	0	1,500
Technology Initiative.....	20,150	21,450	26,600
Science Education Program.....	400	2,000	0
Teacher Professional Development.....	4,824	7,670	9,117
Read to Succeed.....	35,000	25,000	25,000
Adult and Family Literacy.....	12,662	17,979	19,707
(F)Adult Basic Education - Local.....	16,368	18,842	19,525
(F)Even Start Family Literacy - Local.....	261	1,000	400
Vocational Education.....	51,523	53,069	55,378
(F)Vocational Education Act - Local.....	44,016	50,000	50,000
Vocational Education Equipment Grants.....	0	10,000	0

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
New Choices / New Options	3,700	3,700	0
Authority Rentals and Sinking Fund Requirements	253,766	267,451^e	276,061
Pupil Transportation	386,707	445,092^f	415,744
Nonpublic and Charter School Pupil Transportation	56,009	55,392	54,358
Special Education	719,500	783,089	861,398
(F)Individuals with Disabilities Education - Local.....	162,578	211,150	270,000
Early Intervention	84,719	93,503^g	98,803
(F)Education for Disabled Children (EA).....	1,220	1,220	1,220
Homebound Instruction	643	662	746
Tuition for Orphans and Children Placed in Private Homes	40,079	42,960	43,498
Payments in Lieu of Taxes	182	182	180
Education of Migrant Laborers' Children	727	727	751
PA Charter Schools for the Deaf and Blind	23,847	24,999	25,749
Special Education - Approved Private Schools	59,808	61,602	63,450
Intermediate Units	5,835	6,127	6,311
School Food Services	16,719	24,186	24,433
(F)Food and Nutrition - Local.....	284,179	298,496	298,496
School Employees' Social Security	350,328	378,820^h	397,009
School Employees' Retirement	169,931	99,467	55,033
School District Demonstration Projects	12,613	6,700	0
Education of Indigent Children	113	116	116
Subtotal.....	<u>\$ 6,512,470</u>	<u>\$ 6,863,002</u>	<u>\$ 7,131,221</u>
(F)ESEA - Title VI - School Districts.....	12,630	14,304	14,304
(F)ESEA - Title I - Local.....	348,004	399,000 ⁱ	433,844
(F)DFSC - School Districts.....	14,280	16,972	12,866
(F)Educate America Act - Local.....	23,099	25,330	25,220
(F)Professional Development - Title II -Local.....	13,116	16,786	16,786
(F)Technology Literacy Challenge - Local.....	4,369	30,276	30,276
(F)America Reads Challenge-Local.....	4,057	28,500	11,143
(F)Comprehensive School Reform-Local.....	2,041	15,000	15,000
(F)ESEA - Title VI - Class Size Reduction.....	38,512	58,507	58,507
Subtotal.....	<u>\$ 460,108</u>	<u>\$ 604,675</u>	<u>\$ 617,946</u>
Other Grants and Subsidies:			
Education Mentoring	979	1,200	1,200
Services to Nonpublic Schools	66,526	68,522	71,263
Textbooks and Instructional Materials for Nonpublic Schools	20,361	20,973	21,812
Technology for Nonpublic Schools	4,000	6,000	8,000
Teen Pregnancy and Parenthood	1,407	1,500	1,725
(F)Teenage Parenting Education (EA).....	1,970	2,247	4,133
(F)Maternal and Child Health Services (EA).....	1,510	1,619	0
Comprehensive Reading	300	300	300
Improvement of Library Services	47,286	62,289	75,289
Library Services for the Visually Impaired and Disabled	2,879	2,879	2,965
Library Access	6,508	7,171	7,386
School Library Catalog	431	4,042	4,042
Ethnic Heritage	160	160	165
Governor's Schools of Excellence	1,916	2,264	2,492
Technology Leadership Academy	0	0	1,290
JTPA - Matching Funds	3,996	0	0
(F)JTPA - Educational Training.....	1,348	0	0
School-to-Work Opportunities	436	500	0
Job Training Programs	3,750	4,200	3,750
Charter Schools	1,800	1,800	3,800
Independent Schools	0	0	2,000
Charter Schools - Nonpublic Transfers	1,000	1,000	1,000
Safe and Alternative Schools	31,563^j	35,200	36,256
Alternative Education Demonstration Grants	0	1,000	0

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
Administrative/Instructional Consolidation.....	1,500	1,500	1,500
School District Merger.....	0	0	500
Subtotal.....	\$ 201,626	\$ 226,366	\$ 250,868
Higher Education - Other Grants and Subsidies:			
Community Colleges.....	164,981 k	178,340	187,556
Community Colleges - Equipment.....	0	5,000	0
Regional Community Colleges Services.....	400	425	0
Community Colleges - Workforce Development.....	0	2,000	2,000
Higher Education for the Disadvantaged.....	8,828	9,049	9,320
Higher Education of Blind or Deaf Students.....	52	52	54
Higher Education Technology Grants.....	10,000	5,500	5,500
Higher Education Graduation Incentive.....	0	6,000	8,000
Higher Education Equipment.....	6,000	6,000	6,000
Engineering Equipment Grants.....	1,000	1,000	1,000
Dormitory Sprinklers.....	0	0	3,000
Rural Initiatives.....	1,104	1,750	1,343
Osteopathic Education.....	1,000	1,500	1,000
Subtotal.....	\$ 193,365	\$ 216,616	\$ 224,773
State System of Higher Education:			
State Universities.....	437,634	450,763	468,794
Recruitment of the Disadvantaged.....	346	356	370
McKeever Center.....	216	222	231
Affirmative Action.....	1,162	1,197	1,245
Special Projects.....	4,500	0	0
Program Initiatives.....	0	19,283	0
Subtotal.....	\$ 443,858	\$ 471,821	\$ 470,640
The Pennsylvania State University:			
Educational and General.....	235,872	242,920	250,208
Information Systems Technology School.....	0	4,500	4,500
Medical Programs.....	4,778	4,897	5,044
Children's Hospital.....	5,029	5,155	5,310
Agricultural Research.....	22,212	23,499	24,204
Agricultural Extension Services.....	26,108	27,029	27,838
Recruitment of the Disadvantaged.....	346	355	366
Central Pennsylvania Psychiatric Institute.....	1,957	2,006	2,066
Pennsylvania College of Technology.....	12,252	14,558	12,935
Pennsylvania College of Technology - Debt Service.....	1,530	1,530	1,530
Workforce Development and Technology Transfer.....	2,250	0	0
Capitol Campus Improvements.....	1,800	500	0
Program Initiatives.....	0	5,000	0
Subtotal.....	\$ 314,134	\$ 331,949	\$ 334,001
University of Pittsburgh:			
Educational and General.....	145,022	149,760	154,253
Medical Programs.....	6,735	6,903	7,110
Dental Clinics.....	1,112	1,140	1,174
Recruitment of the Disadvantaged.....	346	355	366
Western Psychiatric Institute.....	8,305	8,513	8,768
Western Teen Suicide Center.....	536	549	565
Graduate School of Public Health.....	270	277	285
Rural Education Outreach.....	783	913	827
Laboratories and Equipment.....	4,500	2,500	0
Information Technology.....	0	2,500	0
Student Life Initiatives.....	0	500	0
Program Initiatives.....	0	3,500	0

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
Subtotal.....	\$ 167,609	\$ 177,410	\$ 173,348
Temple University:			
Educational and General.....	152,348	157,182	161,897
Medical Programs.....	8,965	9,189	9,465
Dental Clinics.....	1,112	1,140	1,174
Recruitment of the Disadvantaged.....	346	355	366
Maxillofacial Prosthodontics.....	135	138	142
Podiatric Medicine.....	1,382	1,417	1,460
Children's Hospital.....	500	0	0
Laboratories and Equipment.....	4,500	2,500	0
Bio-Medical Center.....	0	500	0
Program Initiatives.....	0	6,600	0
Subtotal.....	\$ 169,288	\$ 179,021	\$ 174,504
Lincoln University:			
Educational and General.....	10,443	10,704	11,025
Recruitment of the Disadvantaged.....	346	355	366
International Affairs Institute.....	313	321	331
Student Education Instruction Assistance.....	256	262	270
Program Initiatives.....	0	1,300	0
Subtotal.....	\$ 11,358	\$ 12,942	\$ 11,992
Non-State Related Universities and Colleges:			
Drexel University.....	6,789	6,959	7,168
University of Pennsylvania - Dental Clinics.....	938	938	938
University of Pennsylvania - Cardiovascular Studies.....	500	882	632
University of Pennsylvania - Medical Programs.....	4,034	4,034	4,034
University of Pennsylvania - Veterinary Activities.....	32,276	34,783	35,826
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.....	0	500	0
MCP Hahnemann University - Transition.....	3,000	4,000	0
Thomas Jefferson University - Doctor of Medicine Instruction.....	5,869	5,869	5,869
Thomas Jefferson University - Operations & Maintenance.....	4,263	4,263	4,263
Philadelphia College of Osteopathic Medicine.....	5,222	5,222	5,222
Pennsylvania College of Optometry.....	1,548	1,798	1,548
Pennsylvania College of Optometry - Computer Laboratory.....	200	0	0
Pennsylvania College of Optometry - Distance Learning.....	538	0	0
Philadelphia University of the Arts.....	1,243	1,243	1,243
Subtotal.....	\$ 76,681	\$ 80,752	\$ 77,004
Non-State Related Institutions:			
Berean - Operations and Maintenance.....	1,554	1,754	1,554
Berean - Rental Payments.....	95	95	95
Johnson Technical Institute.....	202	202	202
Williamson Free School of Mechanical Trades.....	73	73	73
Subtotal.....	\$ 1,924	\$ 2,124	\$ 1,924
Subtotal - State Funds.....	\$ 7,578,863	\$ 7,977,429	\$ 8,206,501
Subtotal - Federal Funds.....	973,558	1,189,249	1,261,720
Total - Grants and Subsidies.....	\$ 8,552,421	\$ 9,166,678	\$ 9,468,221

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
STATE FUNDS.....	\$ 7,640,461	\$ 8,051,656	\$ 8,291,559
FEDERAL FUNDS.....	1,016,547	1,256,291	1,320,172
AUGMENTATIONS.....	9,304	11,455	10,479
GENERAL FUND TOTAL.....	\$ 8,666,312	\$ 9,319,402	\$ 9,622,210
<u>MOTOR LICENSE FUND:</u>			
<i>Grants and Subsidies:</i>			
Safe Driving Course.....	\$ 1,178	\$ 1,639	\$ 1,620
<u>KEYSTONE RECREATION, PARK AND CONSERVATION FUND:</u>			
<i>Grants and Subsidies:</i>			
Local Libraries Rehabilitation and Development (EA).....	\$ 1,818	\$ 5,297	\$ 2,029
State System of Higher Educ. - Deferred Maintenance (EA).....	8,594	9,316	9,324
Total - Grants and Subsidies.....	\$ 10,412	\$ 14,613	\$ 11,353
KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL.....	\$ 10,412	\$ 14,613	\$ 11,353
<u>OTHER FUNDS:</u>			
GENERAL FUND:			
LSTA - Library Grants.....	\$ 4,472	\$ 7,000	\$ 6,000
Emergency Immigrant Assistance.....	644	1,200	900
Surety Bond Proceeds.....	0	14	14
Severely Disabled Program.....	50	150	0
Distressed School Districts Assistance (Section 2502.30).....	1,363	0	0
Private Licensed Schools.....	545	552	564
Medical Assistance Reimbursements.....	25,284	42,000	42,000
Education of the Disabled - Part D.....	89	0	0
PANET - Local Education Agencies.....	6	0	0
Approved Private Schools - Audit Resolution.....	4,100	1,500	1,500
Bell Atlantic Grant - Internet Access.....	125	0	0
Woodland Hills Desegregation.....	4,133	1,600	1,600
Telecommunications Education Fund Grant.....	17	103	38
GENERAL FUND TOTAL.....	\$ 40,828	\$ 54,119	\$ 52,616
GOV. CASEY ORGAN & TISSUE DONATION AWARENESS FUND:			
Governor Casey Organ and Tissue Donation Awareness Fund (EA).....	\$ 114	\$ 102	\$ 117
SCHOOL EMPLOYEES' RETIREMENT FUND:			
Administration.....	\$ 27,110	\$ 30,512	\$ 34,297
Directed Commissions.....	2,126	4,853	1,136
SCHOOL EMPLOYEES' RETIREMENT FUND TOTAL.....	\$ 29,236	\$ 35,365	\$ 35,433
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 7,640,461	\$ 8,051,656	\$ 8,291,559
SPECIAL FUNDS.....	11,590	16,252	12,973
FEDERAL FUNDS.....	1,016,547	1,256,291	1,320,172
AUGMENTATIONS.....	9,304	11,455	10,479
OTHER FUNDS.....	70,178	89,586	88,166
TOTAL ALL FUNDS.....	\$ 8,748,080	\$ 9,425,240	\$ 9,723,349

Footnotes to Summary by Fund and Appropriation

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- ^a Includes \$123,000 actually appropriated as Charter School Appeal Board.
- ^b Includes \$600,000 actually appropriated as a part of the Technology Investment Program within the Executive Offices.
- ^c Includes recommended supplemental appropriation of \$ 900,000.
- ^d Includes recommended supplemental appropriation of \$ 94,000.
- ^e Includes recommended supplemental appropriation of \$ 13,685,000.
- ^f Includes recommended supplemental appropriation of \$ 34,800,000.
- ^g Includes recommended supplemental appropriation of \$ 4,802,000.
- ^h Includes recommended supplemental appropriation of \$ 7,210,000.
- ⁱ Actually appropriated as \$433,844,000. Amount shown is the best estimate of the amount available for 2000-01. Since additional funds may be received, no reduction to appropriation authority is recommended.
- ^j Actually appropriated as \$21,848,000 for Safe Schools and \$9,715,000 for Alternative Schools.
- ^k Actually appropriated as \$164,981,000 for Community Colleges and \$6,431,000 for Northwest Pennsylvania Technical Institute.
- ^l Actually appropriated as \$178,340,000 for Community Colleges and \$5,643,000 for Northwest Pennsylvania Technical Institute.

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
EDUCATION SUPPORT SERVICES							
GENERAL FUND.....	\$ 23,911	\$ 30,722	\$ 35,124	\$ 36,857	\$ 34,562	\$ 35,179	\$ 35,808
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	41,444	64,664	56,047	55,797	55,797	55,797	55,797
OTHER FUNDS.....	35,925	44,156	43,233	42,031	42,870	43,728	44,602
SUBCATEGORY TOTAL.....	\$ 101,280	\$ 139,542	\$ 134,404	\$ 134,685	\$ 133,229	\$ 134,704	\$ 136,207
BASIC EDUCATION							
GENERAL FUND.....	\$ 6,169,601	\$ 6,459,645	\$ 6,686,430	\$ 6,694,298	\$ 6,689,813	\$ 6,707,341	\$ 6,725,562
SPECIAL FUNDS.....	1,178	1,639	1,620	1,620	1,620	1,620	1,620
FEDERAL FUNDS.....	973,760	1,189,857	1,262,328	1,262,328	1,262,328	1,262,328	1,262,328
OTHER FUNDS.....	36,817	47,689	47,199	45,623	45,647	45,671	45,696
SUBCATEGORY TOTAL.....	\$ 7,181,356	\$ 7,698,830	\$ 7,997,577	\$ 8,003,869	\$ 7,999,408	\$ 8,016,960	\$ 8,035,206
LIBRARY SERVICES							
GENERAL FUND.....	\$ 61,172	\$ 80,593	\$ 94,020	\$ 91,065	\$ 91,154	\$ 85,244	\$ 85,336
SPECIAL FUNDS.....	1,818	5,297	2,029	2,086	2,179	2,281	2,384
FEDERAL FUNDS.....	1,208	1,420	1,447	1,447	1,447	1,447	1,447
OTHER FUNDS.....	4,639	7,096	6,113	6,116	6,119	6,122	6,125
SUBCATEGORY TOTAL.....	\$ 68,837	\$ 94,406	\$ 103,609	\$ 100,714	\$ 100,899	\$ 95,094	\$ 95,292
HIGHER EDUCATION							
GENERAL FUND.....	\$ 1,385,777	\$ 1,480,696	\$ 1,475,985	\$ 1,478,912	\$ 1,482,067	\$ 1,485,226	\$ 1,488,387
SPECIAL FUNDS.....	8,594	9,316	9,324	9,703	10,150	10,611	11,064
FEDERAL FUNDS.....	135	350	350	350	350	350	350
OTHER FUNDS.....	2,101	2,100	2,100	2,142	2,185	2,229	2,274
SUBCATEGORY TOTAL.....	\$ 1,396,607	\$ 1,492,462	\$ 1,487,759	\$ 1,491,107	\$ 1,494,752	\$ 1,498,416	\$ 1,502,075
ALL PROGRAMS:							
GENERAL FUND.....	\$ 7,640,461	\$ 8,051,656	\$ 8,291,559	\$ 8,301,132	\$ 8,297,596	\$ 8,312,990	\$ 8,335,093
SPECIAL FUNDS.....	11,590	16,252	12,973	13,409	13,949	14,512	15,068
FEDERAL FUNDS.....	1,016,547	1,256,291	1,320,172	1,319,922	1,319,922	1,319,922	1,319,922
OTHER FUNDS.....	79,482	101,041	98,645	95,912	96,821	97,750	98,697
DEPARTMENT TOTAL.....	\$ 8,748,080	\$ 9,425,240	\$ 9,723,349	\$ 9,730,375	\$ 9,728,288	\$ 9,745,174	\$ 9,768,780

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 is directed by the Pennsylvania School Employees' Retirement Board and 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)

	General Government Operations		Information and Technology Improvement
\$ 415	—to continue current program.		—Initiative — Enhancing Technology Capabilities. To migrate legacy mainframe data systems and files to relational databases.
1,400	— PRR — Improving Our Schools. This Program Revision provides administrative resources for the Education Support Services program. See the Program Revision following the Basic Education program for additional information.	\$ 3,000	—Initiative — PDE Connect. To replace and upgrade 250 personal computers.
		100	—nonrecurring projects.
500	—Initiative — Education Leadership Academy. To provide school leaders with the skills, expertise and motivation needed to create and sustain high quality, successful schools.	—662	
		\$ 2,438	<i>Appropriation Increase</i>
460	—Initiative — Limited English Proficiency Program. To provide technical assistance and professional development to school districts and charter schools in the instruction for English Language Learners.		
—811	—nonrecurring information technology and other costs.		
<u>\$ 1,964</u>	<i>Appropriation Increase</i>		

In addition, the School Employees' Retirement Fund will provide \$1,050,000 to the School Employees' Retirement System for an enhanced voice and data networking system, and \$974,000 to reengineer their business processes.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
General Government Operations	\$ 22,673	\$ 25,856	\$ 27,820	\$ 28,369	\$ 28,888	\$ 29,418	\$ 29,958
Information and Technology Improvement ..	1,238	4,866	7,304	8,488	5,674	5,761	5,850
TOTAL GENERAL FUND	<u>\$ 23,911</u>	<u>\$ 30,722</u>	<u>\$ 35,124</u>	<u>\$ 36,857</u>	<u>\$ 34,562</u>	<u>\$ 35,179</u>	<u>\$ 35,808</u>

PROGRAM OBJECTIVE: To provide students with the skills, attitudes and abilities needed for effective living in our complex society.

Program: Basic Education

Program Element: Basic Education

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 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.

Act 16 of 2000 established the funding formula for the 2000-01 Basic Education Funding appropriation. In addition to providing each school district an amount equal to its 1999-00 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 100,000 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 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.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Basic Education							
Public school enrollment (K-12)	1,816,716	1,811,030	1,802,350	1,791,680	1,779,450	1,764,070	1,748,050
Total expenditures per average daily membership	\$8,200	\$8,400	\$8,700	\$8,900	\$9,200	\$9,500	\$9,800
High school graduation rates (%)	84.4	84.6	84.8	84.9	85.0	85.0	85.0
Graduates enrolling in business, technical or college programs	84,890	85,190	84,550	86,470	88,600	88,280	87,930
Students taking PA Assessment	410,000	778,000	1,404,000	1,744,000	1,944,000	1,944,000	1,944,000
Total General Educational Development (GED) diplomas	17,313	18,525	18,525	18,525	18,525	18,525	18,525
Enrollment in adult basic education	50,903	54,500	54,625	54,625	54,625	54,625	54,625
Adult education volunteers trained	2,369	2,300	2,300	2,300	2,300	2,300	2,300
Adult education students receiving adjunct services	38,500	38,000	38,000	38,000	38,000	38,000	38,000
Basic Education—Nonpublic Schools							
Nonpublic school enrollment	331,020	332,000	332,000	332,000	332,000	332,000	332,000
Basic Education—Adjudicated Youth							
Youth Development Centers							
Total youth served	2,126	2,225	2,325	2,325	2,325	2,325	2,325

Students taking PA Assessment decreased in 1999-00 from the projection shown in last year's budget because implementation of writing tests was delayed.

Total General Educational Development diplomas decreased in 1999-00 from the projection shown in last year's budget due to high rates of employment in the labor market.

Program: Basic Education (continued)

Program Measures: (continued)	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Special Education							
Pupils with disabilities enrolled in programs ...	212,844	215,000	215,000	215,000	215,000	215,000	215,000
Pupils enrolled in programs for the gifted	67,789	67,000	67,000	67,000	67,000	67,000	67,000
Scranton School for the Deaf enrollment	110	109	120	120	120	120	120
Approved vocational education programs:							
Students enrolled	17,900	18,000	18,200	18,400	18,600	18,800	19,000
Students completing programs	2,730	2,760	2,790	2,820	2,850	2,900	2,930
Vocational Education							
Enrollment	99,599	99,700	101,800	104,000	106,200	108,500	111,000
Students placed in jobs	20,601	21,300	22,000	22,700	23,500	23,900	25,100
Basic Education—Education Mentoring							
Education mentoring/dropout prevention program enrollment	6,302	3,950	3,950	3,950	3,950	3,950	3,950
Basic Education—Teen Parenting							
Students served by teen parenting programs .	5,555	5,560	5,560	5,560	5,560	5,560	5,560

Special education students enrolled in and completing approved vocational education programs decreased from projections shown in last year's budget based on actual activity.

Education mentoring/dropout prevention program enrollments decrease after 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)

<p>GENERAL FUND</p> <p>PA Assessment</p> <p>\$ 375 —to continue current program.</p> <p>5,490 —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.</p> <hr/> <p>\$ 5,865 <i>Appropriation Increase</i></p> <p>Youth Development Centers — Education</p> <p>\$ 288 —to continue current program.</p> <p>Scranton State School for the Deaf</p> <p>\$ 358 —to continue current program.</p> <p>54 —Initiative — Computer Enhancements. To replace and upgrade 33 of the school's personal computers.</p> <hr/> <p>\$ 412 <i>Appropriation Increase</i></p> <p>Basic Education Funding</p> <p>\$ 151,672 —PRR — Improving Our Schools. This Program Revision provides for a four percent increase for basic education programs. See the Program Revision following this program for additional information.</p> <p>Performance Incentives</p> <p>\$ 3,354 —to continue current program.</p>	<p>\$ 1,661</p> <p>\$ 23,600</p> <p>\$ 1,500</p> <p>\$ 150</p> <p>5,000</p> <hr/> <p>\$ 5,150 <i>Appropriation Increase</i></p> <p>\$ -2,000</p>	<p>School Improvement Grants</p> <p>—to continue current program.</p> <p>Education Support Services</p> <p>—PRR — Improving Our Schools. This Program Revision provides resources to eligible students to receive additional support services to improve academic performance. See the Program Revision following this program for additional information.</p> <p>School Readiness</p> <p>—Initiative — Early Childhood Education. To implement, on a pilot basis, school readiness and literacy programs for students in kindergarten through third grade that are at risk or in need of additional supports.</p> <p>Technology Initiative</p> <p>—to continue current program.</p> <p>—PRR — Improving Our Schools. This Program Revision provides resources for the development of additional digital schools. See the Program Revision following this program for additional information.</p> <p>Science Education Program</p> <p>—nonrecurring project.</p>
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Program: Basic Education (continued)

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 4,000	Teacher Professional Development —PRR — Improving Our Schools. This Program Revision provides resources to enhance the professional development assessment process. See the Program Revision following this program for additional information.	\$ 5,300	Early Intervention —Initiative — Expanded Early Intervention Services. To expand early intervention services for an additional 441 children ages three through five.
-2,553	—nonrecurring costs.		
\$ 1,447	<i>Appropriation Increase</i>	\$ 84	Homebound Instruction —to continue current program.
\$ 539	Adult and Family Literacy —to continue current program.	\$ 538	Tuition for Orphans and Children Placed in Private Homes —to continue current program.
379	—Initiative — High School Diploma Program for Adults. To expand high school diploma programs to nine more school districts.	\$ -2	Payments in Lieu of Taxes —to continue current program.
810	—Initiative — Family Literacy Summer Reading Program. To expand the Pennsylvania Family Literacy Program to all 67 counties.	\$ 24	Education of Migrant Laborers Children —to continue current program.
\$ 1,728	<i>Appropriation Increase</i>	\$ 750	PA Charter Schools for Deaf and Blind —to continue current program.
\$ 1,809	Vocational Education —to continue current program.	\$ 1,848	Special Education - Approved Private Schools —to continue current program.
500	—Initiative — Youth Apprenticeship. To support students and schools in establishing partnerships with local businesses.	\$ 184	Intermediate Units —to continue current program.
\$ 2,309	<i>Appropriation Increase</i>	\$ 247	School Food Services —to continue current program.
\$ -10,000	Vocational Education Equipment Grants —nonrecurring grants.	\$ 18,189	School Employees' Social Security —to continue current program.
\$ -3,700	New Choices/New Options —nonrecurring projects.	\$ -44,434	School Employees' Retirement —to continue current program at the actuarially-determined employer contribution rate and provide eligible annuitants with an increased level of financial assistance toward health care insurance premiums.
\$ 6,549	Authority Rentals and Sinking Fund Requirements —to continue current program.	\$ -6,700	School District Demonstration Projects —nonrecurring projects.
2,061	—Initiative — School Construction Reimbursement. To enable Charter Schools to participate in school infrastructure reimbursement.	\$ 2,741	Services to Nonpublic Schools —to continue current program.
\$ 8,610	<i>Appropriation Increase</i>	\$ 839	Textbooks and Instructional Materials for Nonpublic Schools —to continue current program.
\$ -34,800	Pupil Transportation —nonrecurring costs associated with deferral of intermediate unit transportation recovery amount.	\$ 2,000	Technology for Nonpublic Schools —to continue current program.
5,452	—to continue current program.	\$ 225	Teen Pregnancy and Parenthood —Initiative — Pregnant and Parenting Teen Program Expansion. To start ten new Pregnant and Parenting Teen programs serving an additional 625 teen mothers and fathers in previously unserved geographic areas.
\$ -29,348	<i>Appropriation Decrease</i>		
\$ -1,034	Nonpublic and Charter School Pupil Transportation —reflects projected decrease in number of nonpublic students to be transported.		
\$ 78,309	Special Education —PRR — Improving Our Schools. This Program Revision provides for a ten percent increase for special education programs. See the Program Revision following this program for additional information.		

Program: Basic Education (continued)

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$	5	Ethnic Heritage —to continue current program.	\$	2,000	Charter Schools —to provide additional start-up funding.
\$	68 160	Governor's Schools of Excellence —to continue current program. —Initiative — Governor's School for Entrepreneurship. To provide operational resources for the Governor's School for Entrepreneurship.	\$	2,000	Independent Schools —PRR — Improving Our Schools. This Program Revision provides independent school planning grants. See the Program Revision following this program for additional information.
\$	228	<i>Appropriation Increase</i>	\$	1,056	Safe and Alternative Schools —to continue current program.
\$	1,290	Technology Leadership Academy —PRR — Improving Our Schools. This Program Revision provides superintendents, principals, and school board members with skills to address the uses of technology in education. See the Program Revision following this program for additional information.	\$	-1,000	Alternative Education Demonstration Projects —nonrecurring projects.
\$	-500	School-to-Work Opportunities —nonrecurring projects.	\$	500	School District Merger —Initiative — School District Merger Study. To provide school district grants to conduct feasibility studies on merging with neighboring districts.
\$	-450	Job Training Programs —nonrecurring projects.	\$	-19	MOTOR LICENSE FUND Safe Driving Course —to continue current program.

This budget recommends \$250,000 in Federal funds to support school readiness and early childhood development services and training.

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
PA Assessment	\$ 10,221	\$ 15,000	\$ 20,865	\$ 23,355	\$ 23,355	\$ 23,355	\$ 23,355
Youth Development Centers - Education ...	10,585	10,688	10,976	11,196	11,420	11,648	11,881
Scranton State School for the Deaf	5,253	5,544	5,956	6,074	6,140	6,263	6,388
Basic Education Funding	3,677,294	3,791,813	3,943,485	3,943,485	3,943,485	3,943,485	3,943,485
Performance Incentives	16,769	33,538	36,892	36,892	36,892	36,892	36,892
School Improvement Grants	0	25,000	26,661	26,661	26,661	26,661	26,661
Education Support Services	0	0	23,600	23,600	23,600	23,600	23,600
School Readiness	0	0	1,500	1,500	1,500	1,500	1,500
Technology Initiative	20,150	21,450	26,600	26,100	21,100	21,100	21,100
Science Education Program	400	2,000	0	0	0	0	0
Teacher Professional Development	4,824	7,670	9,117	9,117	9,117	9,117	9,117
Read to Succeed	35,000	25,000	25,000	15,000	0	0	0
Adult and Family Literacy	12,662	17,979	19,707	19,707	19,707	19,707	19,707
Vocational Education	51,523	53,069	55,378	55,378	55,378	55,378	55,378
Vocational Education Equipment Grants ...	0	10,000	0	0	0	0	0
New Choices / New Options	3,700	3,700	0	0	0	0	0
Authority Rentals and Sinking Fund							
Requirements	253,766	267,451	276,061	276,061	276,061	276,061	276,061
Pupil Transportation	386,707	445,092	415,744	415,744	415,744	415,744	415,744
Nonpublic and Charter School Pupil							
Transportation	56,009	55,392	54,358	54,358	54,358	54,358	54,358
Special Education	719,500	783,089	861,398	861,398	861,398	861,398	861,398

Program: Basic Education (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND: (continued)							
Early Intervention	\$ 84,719	\$ 93,503	\$ 98,803	\$ 98,803	\$ 98,803	\$ 98,803	\$ 98,803
Homebound Instruction	643	662	746	746	746	746	746
Tuition for Orphans and Children Placed in Private Homes	40,079	42,960	43,498	43,498	43,498	43,498	43,498
Payments in Lieu of Taxes	182	182	180	180	180	180	180
Education of Migrant Laborers' Children	727	727	751	751	751	751	751
PA Charter Schools for the Deaf and Blind ..	23,847	24,999	25,749	25,749	25,749	25,749	25,749
Special Education - Approved Private Schools	59,808	61,602	63,450	63,450	63,450	63,450	63,450
Intermediate Units	5,835	6,127	6,311	6,311	6,311	6,311	6,311
School Food Services	16,719	24,186	24,433	24,433	24,433	24,433	24,433
School Employees' Social Security	350,328	378,820	397,009	412,889	429,404	446,581	464,444
School Employees' Retirement	169,931	99,467	55,033	55,033	55,033	55,033	55,033
School District Demonstration Projects	12,613	6,700	0	0	0	0	0
Education of Indigent Children	113	116	116	116	116	116	116
Education Mentoring	979	1,200	1,200	1,200	1,200	1,200	1,200
Services to Nonpublic Schools	66,526	68,522	71,263	71,263	71,263	71,263	71,263
Textbooks and Instructional Materials for Nonpublic Schools	20,361	20,973	21,812	21,812	21,812	21,812	21,812
Technology for Nonpublic Schools	4,000	6,000	8,000	8,000	8,000	8,000	8,000
Teen Pregnancy and Parenthood	1,407	1,500	1,725	1,725	1,725	1,725	1,725
Comprehensive Reading	300	300	300	300	300	300	300
Ethnic Heritage	160	160	165	165	165	165	165
Governor's Schools of Excellence	1,916	2,264	2,492	2,652	2,652	2,652	2,652
Technology Leadership Academy	0	0	1,290	1,290	0	0	0
JTPA - Matching Funds	3,996	0	0	0	0	0	0
School-to-Work Opportunities	436	500	0	0	0	0	0
Job Training Programs	3,750	4,200	3,750	3,750	3,750	3,750	3,750
Charter Schools	1,800	1,800	3,800	3,800	3,800	3,800	3,800
Independent Schools	0	0	2,000	2,000	2,000	2,000	2,000
Charter Schools - Nonpublic Transfers	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Safe and Alternative Schools	31,563	35,200	36,256	36,256	36,256	36,256	36,256
Alternative Education Demonstration Grants	0	1,000	0	0	0	0	0
Administrative/Instructional Consolidation ..	1,500	1,500	1,500	1,500	1,500	1,500	1,500
School District Merger	0	0	500	0	0	0	0
TOTAL GENERAL FUND	\$ 6,169,601	\$ 6,459,645	\$ 6,686,430	\$ 6,694,298	\$ 6,689,813	\$ 6,707,341	\$ 6,725,562
MOTOR LICENSE FUND:							
Safe Driving Course	\$ 1,178	\$ 1,639	\$ 1,620	\$ 1,620	\$ 1,620	\$ 1,620	\$ 1,620

Program Revision: Improving Our Schools

Pennsylvania's future depends upon the educational opportunities offered to our students. Over the past six years, the Commonwealth has invested hundreds of millions of dollars in new initiatives to help school districts provide the foundations for academic achievement. This year the Commonwealth continues its commitment to provide the tools to help meet the educational needs of our children.

This Program Revision increases support for basic education, expands the performance incentive program, and refines and expands the current academic assessment system. In addition, this Program Revision recommends several new basic education initiatives, which include providing independent school planning grants to school districts, providing a grant program to assist "at risk" students, and establishing education tax credits for businesses. This Program Revision also increases the number of digital school districts and establishes the Technology Leadership Academy. Finally, this Program Revision expands teacher professional development opportunities and increases special education funding.

Basic Education

This Program Revision recommends an additional \$151.7 million for Basic Education Funding. The proposal distributes \$114 million to all school districts considering their wealth and enrollment. An additional \$35 million is provided to 35 school districts that experienced a significant increase in their aid ratio over the past seven years and have a current aid ratio above the median. This proposal also provides approximately \$1.6 million to guarantee that each district will receive a minimum two percent funding increase and a one percent increase in funding per average daily membership over the previous year.

Performance Incentives and Academic Achievement

This Program Revision recommends \$36.9 million for the School Performance Incentive Award program that recognizes schools making notable improvements in student achievement and effort. Schools qualify for incentive awards based on significant improvements in student academic achievement and school attendance. Schools may also qualify for the maintenance of high standards component, which rewards those that maintain a high level of achievement or effort for the baseline period as well as for the succeeding three years. Academic achievement is measured by a school's improvement in comparison to results from prior years on the Statewide Pennsylvania System of School Assessment.

This Program Revision also recommends \$5.5 million to provide science assessments for students in grades 4, 7 and 10 and for third grade reading. Through the Pennsylvania System of School Assessment (PSSA), teachers gain a better understanding of how to connect

classroom instruction with State academic standards. PSSA also provides additional performance information which will allow schools to be held accountable and effect changes in instruction and curriculum to meet the needs of our students as they strive to meet the new higher academic standards. These standards will better prepare our children to succeed in higher education, in the workforce and in our society.

Innovative Education Delivery

Independent Schools are publicly authorized and publicly funded but independently operated public schools. The Education Empowerment Act provides certain districts with the authority to designate any of its school buildings as an Independent School. This Program Revision recommends \$2 million to provide planning grants to school districts across the Commonwealth desiring to explore this alternative. It provides incentive grants to school districts, teachers at a public school, teachers union or a group of parents to allow for and encourage such innovation. The creation of Independent Schools provides local school districts with a unique opportunity to dramatically improve the quality of our public schools through a fundamental reform of the way in which public education is delivered.

This Program Revision also recommends \$23.6 million for an Education Support Services grant program. This program is targeted to those students in grades three through five scoring at or below basic proficiency level on the Pennsylvania System of School Assessment or comparable score on other nationally recognized standardized tests. This Program Revision establishes a grant program whose focus is to provide additional instructional opportunities that allow a student to acquire the basic skills at an early grade and improve their ability to learn the more difficult concepts in the later years of their education. Approximately 47,200 children will receive services through this program. This Program Revision also recommends \$1.4 million for the administration of this program.

In addition, this Program Revision recommends up to \$15 million to expand education tax credits, through the Neighborhood Assistance Program, that will leverage up to \$30 million in funding for education. This proposal will attract business support for innovative education programs that will improve educational opportunities for our children and support innovative education reforms in our schools.

Technology Initiative

In the 2000-01 fiscal year, Pennsylvania took a historic step into the digital world by establishing two Digital School Districts. This Program Revision recommends an additional \$5 million to establish two new Digital School Districts, model school districts which consolidate all the best technology

Program Revision: Improving Our Schools (continued)

practices in Pennsylvania schools and that serve as a working illustration of the impact technology can have on all facets of the educational system. The Digital School Districts will be open for all educators and policy makers to tour, and act as an educational technology resource center to host conferences and seminars demonstrating how technologies can change teaching, learning and operating a school district.

This Program Revision provides \$790,000 to match dollars from the Gates Foundation to fund a Technology Leadership Academy for superintendents and principals. The Academy will provide school administrators the opportunity to learn about powerful uses of technology in education and how to plan, implement and manage technology in their schools. Additionally, this Program Revision provides \$500,000 to train school board members to insure their understanding of the role of technology in the educational system.

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, their connection to the PA System of School Assessment, guidance on the alignment of curriculum, and instruction assessment and standards-based instructional material.

Currently well over \$100 million in State and Federal funds is expended annually on professional development, therefore it is important to determine which areas of professional development will best serve the needs of educators. This Program Revision recommends \$4 million to develop and administer an assessment tool that measures the subject content knowledge of practicing teachers in helping students achieve the Pennsylvania Academic Standards. The results will be used by school entities to guide staff development and produce more efficient professional development programs at both the State and local levels. As teacher proficiency is enhanced, the courses and instruction provided to their students will improve. 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.

Special Education

This Program Revision recommends \$78.3 million, a ten percent increase, for Special Education programs in Pennsylvania's schools. This proposal distributes approximately \$65 million based on the relative wealth of each school district. All school districts will receive a portion of the \$65 million. An additional \$6.8 million will be distributed to 62 school districts whose special education incidence rate is at least 25 percent greater than the Statewide average incidence rate. At a minimum, all school districts will receive at least a five percent increase over last year's funding level. In addition, to address special conditions within school districts that affect their ability to provide special education services, this proposal continues the contingency fund set-aside at two percent of the appropriation.

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 have freed-up significant local funding for school districts and other local education agencies. As a result of this decrease in the employer contribution rate for school employees' retirement, combined with other estimated cost changes, local education agencies will have at least \$44 million available in 2001-02 to reallocate in their budgets to expand or enhance educational programming. Including this \$44 million, retirement board actions to reduce the employer contribution rate will have freed-up a total of \$1.34 billion over the past six years for local education agencies to reinvest in their education programs.

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 \$1.6 billion since 1994-95.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
School districts receiving additional funds due to sustained low wealth							
Program Revision	0	0	35	35	35	35	35
School districts receiving funds based on aid ratio and enrollment							
Program Revision	0	0	501	501	501	501	501
Students taking PA Assessment tests							
Current	0	0	1,204,000	1,304,000	1,304,000	1,304,000	1,304,000
Program Revision	0	0	1,404,000	1,744,000	1,944,000	1,944,000	1,944,000

Program Revision: Improving Our Schools (continued)

Program Measures: (continued)	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Students receiving Education Support Services grants							
Program Revision	0	0	47,200	47,200	47,200	47,200	47,200
Practicing teachers participating in the diagnostic assessment							
Program Revision	0	0	22,400	22,400	22,400	22,400	22,400
Digital School District Models established							
Program Revision	0	0	4	4	4	4	4
School Leaders receiving technology training							
Program Revision	0	0	950	950	0	0	0

Program Revision Recommendations:

 This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 151,672	Basic Education Funding —to provide a four percent increase for basic education programs.	\$ 1,400	—for administrative support for the Education Support Services grant program.
\$ 36,892	Performance Incentives —to provide grants to schools who demonstrate improvements in academic achievement and effort.	\$ 5,000	Technology Initiative —for the development and implementation of two digital school districts.
\$ 5,490	PA Assessment —to strengthen and expand the current academic testing system to incorporate the new higher academic standards.	\$ 1,290	—to establish the PA Technology Leadership Academy to train superintendents, principals and school board members on the importance of technology in the classroom.
\$ 2,000	Independent Schools —to provide independent school planning grants.	\$ 4,000	Teacher Professional Development —to develop and administer an assessment tool to measure teachers' knowledge in the core academic standard areas.
\$ 23,600	Education Support Services —to provide education support grants to assist students who need additional services to perform at grade level.	\$ 78,309	Special Education —to provide a ten percent increase for special education programs.
		\$ 309,653	<i>Program Revision Total</i>

General Government Operations

Recommended Program Revision Costs by Appropriation:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Education							
General Government Operations	\$ 0	\$ 0	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400
PA Assessment	0	0	5,490	7,980	7,980	7,980	7,980
Basic Education Funding	0	0	151,672	151,672	151,672	151,672	151,672
Performance Incentives	0	0	36,892	36,892	36,892	36,892	36,892
Technology Initiative	0	0	5,000	5,000	0	0	0
Teacher Professional Development	0	0	4,000	4,000	4,000	4,000	4,000
Special Education	0	0	78,309	78,309	78,309	78,309	78,309
Education Support Services	0	0	23,600	23,600	23,600	23,600	23,600
Independent Schools	0	0	2,000	2,000	2,000	2,000	2,000
Technology Leadership Academy	0	0	1,290	1,290	0	0	0
GENERAL FUND TOTAL	\$ 0	\$ 0	\$ 309,653	\$ 312,143	\$ 305,853	\$ 305,853	\$ 305,853

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 supports and improves State and local library services and ensures access to these services by citizens of the Commonwealth.

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 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.

Improvement of Library Services encourages local libraries to meet the information, education and recreation needs of the citizens they serve. The funds provided assist in supporting 28 district libraries by making their resources and services available to all residents within 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 unable to 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, the Pennsylvania Online World of Electronic Resources (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 Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Items loaned (in thousands)	71,739	73,353	75,004	76,691	78,417	80,181	81,985
Titles in State Library collection listed in machine readable catalog database	992,414	1,007,300	1,022,410	1,032,634	1,042,960	1,053,390	1,063,924
Patron queries handled by State Library staff	112,969	115,229	117,533	119,884	122,281	124,727	127,222
Items loaned under the Statewide Library ACCESS Program	10,560	10,822	11,389	11,501	11,712	11,929	12,048
Citizens served by Access Pennsylvania database	781,032	1,090,000	1,300,000	2,000,000	2,500,000	3,000,000	3,500,000

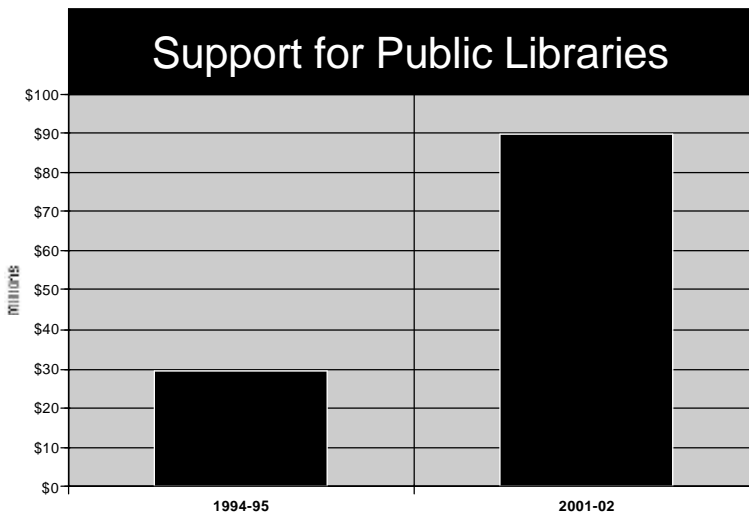
Approximately 99% of the Commonwealth's population is served by State-aided libraries.

Program: Library Services (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	GENERAL FUND			School Library Catalog
	State Library		\$ -1,600	—nonrecurring projects.
\$ 126	—to continue current program.		1,600	—PRR — Investing in Pennsylvania’s Public Libraries. This Program Revision provides resources to expand participation in the Access Pennsylvania database, and provides for an Integrated Library System to maintain the database. See the Program Revision following this program for additional information.
	Improvement of Library Services			
13,000	—PRR — Investing in Pennsylvania’s Public Libraries. This Program Revision provides resources to enable local and county libraries to streamline operations and coordinate programs in an effort to reach new patrons and address growing needs, and provides increased assistance to the four major resource libraries of the Commonwealth. See the Program Revision following this program for additional information.		\$ 0	<i>Appropriation Unchanged</i>
	Library Services for the Visually Impaired and Disabled			KEYSTONE RECREATION, PARK AND CONSERVATION FUND
\$ 86	—to continue current program.		\$ -3,268	Local Libraries Rehabilitation and Development (EA)
	Library Access			—nonrecurring projects.
\$ 215	—to continue current program.			



Total Commonwealth support for public libraries has increased by \$60.3 million from \$29.4 million in 1994-95 to \$89.7 million in 2001-02, an increase of 205 percent.

Program: Library Services (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
State Library	\$ 4,068	\$ 4,212	\$ 4,338	\$ 4,425	\$ 4,514	\$ 4,604	\$ 4,696
Improvement of Library Services	47,286	62,289	75,289	72,289	72,289	66,289	66,289
Library Services for the Visually Impaired and Disabled	2,879	2,879	2,965	2,965	2,965	2,965	2,965
Library Access	6,508	7,171	7,386	7,386	7,386	7,386	7,386
School Library Catalog	431	4,042	4,042	4,000	4,000	4,000	4,000
TOTAL GENERAL FUND	\$ 61,172	\$ 80,593	\$ 94,020	\$ 91,065	\$ 91,154	\$ 85,244	\$ 85,336
 KEYSTONE RECREATION, PARK AND CONSERVATION FUND:							
Local Libraries Rehabilitation and Development (EA)	\$ 1,818	\$ 5,297	\$ 2,029	\$ 2,086	\$ 2,179	\$ 2,281	\$ 2,384

Program Revision: Investing in Pennsylvania's Public Libraries

Public libraries are essential to 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 will develop library collection resources, strengthen the effectiveness of State incentives for local funding and institutionalize the improvements in public library services. In addition, this proposal will enhance and expand the Access Pennsylvania database and will provide support for an Integrated Library System to maintain the Access database on the World Wide Web, allow for continual catalog updates and streamline interlibrary loans.

Restructuring Public Library Funding

State support of public libraries is based on a formula that distributes funding in seven different categories. During the last two fiscal years, four of the seven categories were redesigned, provided increased funding, and established and strengthened new library standards. This Program Revision will strengthen the effectiveness of the Incentive for Excellence Aid formula, redesign the Regional Resource Center Aid category and rename it Statewide Resource Center Aid, and solidify the influence of other State aid categories.

The emphasis of the Incentive for Excellence Category has been to stimulate local support to libraries serving communities less able to provide essential funding. This Program Revision continues this effort and provides \$6 million to maintain the match on local expenditures per capita between \$5.00 and \$7.50, as well as add another level to this aid category to further enhance local support. This proposal will introduce a second tier incentive structure with a match of up to \$0.10 per capita in State funding targeted to those libraries spending between \$7.51 and \$15 in local expenditures per capita.

This Program Revision also provides \$3.1 million to increase the per capita rate for those libraries eligible for Quality Libraries Aid from \$1.57 to \$1.82. The Quality Libraries Aid category reaches all libraries, in particular those located in rural communities. Libraries are able to utilize these funds to offset their general operating costs. Because of this support libraries are expanding public service hours, strengthening collections, increasing the

number of pre-school story hours and offering staff training. In addition, this Program Revision provides an additional \$1.4 million in incentive match funds for the County Coordination Aid Category. The intent of this category is to encourage libraries to restructure at the county level and to support countywide library coordination efforts.

Pennsylvania is unique among states in providing access to four major research libraries through its public library system. These research libraries are the State Library of Pennsylvania, Free Library of Philadelphia, Pattee Library of The Pennsylvania State University, and Carnegie Library of Pittsburgh. This Program Revision renames the Regional Resource Center Aid category to Statewide Resource Center Aid and provides an additional \$2 million to the four major resource libraries for the purpose of expanding their collections, which are borrowed and used by all Pennsylvanians. Additionally, the request will expand the responsibilities of these four libraries by strengthening their research level and in-depth collections with emphasis placed on improving access and delivery of these resources to meet the interests of library users.

Currently there are 28 libraries in the Commonwealth designated as District Library Centers that provide a framework for public library services and a leadership network of libraries Statewide. This Program Revision provides an additional \$500,000 to help defray a portion of the cost of providing these services.

Access Pennsylvania

The Access Pennsylvania database is a Statewide library catalog and online database of the 1,907 libraries in Pennsylvania that share more than 30 million bibliographic records. This Program Revision recommends \$1.6 million to enable the State Library to add 493 elementary school libraries, plus other school, public and college libraries, to this database. Additionally, funding will support an Integrated Library System that maintains the database on the web and allows for continual updating of catalog data, and strengthens the interlibrary loan system, providing users with more information at their fingertips and faster service to meet their needs. As a result of this investment to the online catalog program, Pennsylvania will have the largest library database in the nation, providing unprecedented access to information anywhere in the Commonwealth.

The public library system is an integrated community resource for information, education and recreation. The additional funds recommended here will enable libraries to increase their collections and be responsive to the changing information needs of their communities.

Program Revision: Investing in Pennsylvania's Public Libraries (continued)

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Registered borrowers							
Current	0	0	5,790	5,970	6,150	6,333	6,530
Program Revision	0	0	5,850	6,055	6,260	6,480	6,706
Per capita Quality Libraries Aid							
Current	0	0	\$1.57	\$1.61	\$1.65	\$1.69	\$1.73
Program Revision	0	0	\$1.82	\$1.92	\$1.97	\$1.98	\$1.98
Community and Local Government Support to Libraries (dollars in thousands)							
Current	0	0	\$198,660	\$208,593	\$219,023	\$229,973	\$241,476
Program Revision	0	0	\$215,621	\$228,558	\$239,986	\$251,985	\$264,585
Libraries participating in Access Pennsylvania database							
Current	0	0	1,907	2,400	2,600	2,825	3,000
Program Revision	0	0	2,400	2,600	2,825	3,000	3,100

Program Revision Recommendations:

 This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>\$ 13,000 Improvement of Library Services —to provide enhanced support for local library operating budgets and to create stronger incentives for local governments to invest in their public libraries.</p>	<p>\$ 1,600 School Library Catalog —to increase the number of elementary, public and college libraries included in the Access Pennsylvania database and provide support for an Integrated Library System.</p>
<p>\$ 14,600 <i>Program Revision Total</i></p>	

Recommended Program Revision Costs by Appropriation:

 (Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Education							
Improvement of Library Services	\$ 0	\$ 0	\$ 13,000	\$ 10,000	\$ 10,000	\$ 4,000	\$ 4,000
School Library Catalog	0	0	1,600	1,558	1,558	1,558	1,558
GENERAL FUND TOTAL	\$ 0	\$ 0	\$ 14,600	\$ 11,558	\$ 11,558	\$ 5,558	\$ 5,558

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 239 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 associate 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	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
State System of Higher Education	89,010	89,819	90,524	91,237	92,112	92,896	93,632
Community Colleges	64,394	66,244	67,415	68,616	69,798	70,837	71,955
State-related Universities	130,805	131,864	132,881	133,761	134,348	134,493	134,633
Non-State related Universities & Colleges ...	36,626	37,555	38,164	38,496	38,557	38,592	38,627
TOTAL	320,835	325,482	328,984	332,110	334,815	336,818	338,847

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 — 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 1999, nearly 72 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 slightly less than one percent annually over the next five years, although the increase varies among institutional category.

The Pennsylvania Higher Education Assistance Agency and the Department of Education work 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	1999-00 Actual	2000-01 Projected	2001-02 Projected	2002-03 Projected	2003-04 Projected	2004-05 Projected	2005-06 Projected	Percent Change
Agricultural and Natural Resources	# %	3,857 1.20%	3,864 1.19%	3,856 1.17%	3,844 1.16%	3,841 1.15%	3,836 1.14%	3,837 1.13%	-0.52%
Arts and Letters	# %	57,045 17.78%	58,232 17.89%	58,977 17.93%	59,547 17.93%	60,144 17.96%	60,696 18.02%	61,261 18.08%	7.39%
Business, Management and Data Processing	# %	53,257 16.60%	54,234 16.66%	54,984 16.71%	55,596 16.74%	56,017 16.73%	56,353 16.73%	56,668 16.72%	6.40%
Communications and Related Technologies	# %	10,756 3.35%	10,976 3.37%	11,149 3.39%	11,316 3.41%	11,439 3.42%	11,523 3.42%	11,595 3.42%	7.80%
Computer and Information Sciences	# %	11,125 3.47%	11,882 3.65%	12,544 3.81%	12,935 3.89%	13,240 3.95%	13,367 3.97%	13,510 3.99%	21.44%
Education	# %	41,526 12.94%	41,907 12.88%	42,206 12.83%	42,525 12.80%	42,824 12.79%	43,061 12.78%	43,303 12.78%	4.28%
Engineering, Architecture and Environmental Design	# %	16,356 5.10%	16,476 5.06%	16,537 5.03%	16,577 4.99%	16,586 4.95%	16,605 4.93%	16,618 4.90%	1.60%
Engineering Technologies and Related Technologies	# %	8,148 2.54%	8,243 2.53%	8,218 2.50%	8,260 2.49%	8,311 2.48%	8,370 2.49%	8,424 2.49%	3.39%
Health Professions, Health Sciences and Biological Sciences	# %	39,257 12.24%	39,495 12.13%	39,832 12.11%	40,145 12.09%	40,434 12.08%	40,652 12.07%	40,876 12.06%	4.12%
Home Economics, Human Services and Public Affairs	# %	19,941 6.22%	20,057 6.16%	20,149 6.12%	20,297 6.11%	20,443 6.11%	20,567 6.11%	20,678 6.10%	3.70%
Industrial, Repair, Construction and Transport Technologies	# %	2,373 0.74%	2,382 0.73%	2,407 0.73%	2,436 0.73%	2,468 0.74%	2,496 0.74%	2,531 0.75%	6.66%
Law	# %	4,371 1.36%	4,444 1.37%	4,473 1.36%	4,493 1.35%	4,506 1.35%	4,514 1.34%	4,519 1.33%	3.39%
Physical Sciences, Mathematics and Related Technologies	# %	13,066 4.07%	13,191 4.05%	13,205 4.01%	13,260 3.99%	13,330 3.98%	13,360 3.97%	13,408 3.96%	2.62%
Social Sciences, Psychology, Area Studies and Foreign Languages	# %	34,440 10.73%	34,797 10.69%	35,138 10.68%	35,565 10.71%	35,876 10.72%	36,022 10.69%	36,176 10.68%	5.04%
Multi-Interdisciplinary Studies/Military Sciences	# %	5,317 1.66%	5,302 1.63%	5,309 1.61%	5,314 1.60%	5,356 1.60%	5,396 1.60%	5,443 1.61%	2.37%
TOTAL		320,835	325,482	328,984	332,110	334,815	336,818	338,847	5.61%

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 1999-00 through 2005-06. A review of fields in which degrees are awarded shows the greatest number of degrees is 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.

Program: Higher Education (continued)

Table 3
Higher Education Degrees Awarded by State-Supported
and Private Universities and Colleges,
Actual and Projected

Institutional Category	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
State System of Higher Education	18,019	18,078	18,426	18,696	19,012	19,302	19,542
Community Colleges	11,686	11,924	12,178	12,389	12,585	12,762	12,948
State-related Universities	33,402	33,680	33,967	34,328	34,531	34,787	35,101
Non-State related Universities & Colleges ...	10,496	10,506	10,797	10,953	11,246	11,414	11,488
Private Universities & Colleges	42,415	43,236	44,057	44,878	45,699	46,520	47,341
TOTAL.....	116,018	117,424	119,425	121,244	123,073	124,785	126,420

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 significant. The research university not only provides new ideas, technologies and products to industry, but also educates and motivates graduates to turn those ideas, technologies and products into industry and jobs.

While the University of Pittsburgh and Temple University are also major research universities, 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 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 and Performance Indicators

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 department also provides certificates to those seeking teaching certification in Pennsylvania.

Pennsylvania has been a national leader in education reform by introducing concepts of quality performance and accountability in basic and secondary education. This budget will continue these efforts and introduce these concepts into post secondary education. The department will begin reviewing performance indicators to measure the quality, efficiency and effectiveness of our higher education system.

Program: Higher Education (continued)

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Thaddeus Stevens College of Technology enrollment	487	576	625	630	650	675	700
Office of Civil Rights reviews of institutional plans	16	16	16	16	16	16	16
Minority enrollments at public institutions	53,254	54,695	56,400	57,525	58,000	59,950	60,550
Disadvantaged students served by specialized programs	13,900	14,000	14,000	14,000	14,000	14,000	14,000
Programs evaluated	30	20	20	260	260	260	260
Teacher certifications	36,108	37,000	37,000	37,000	37,000	37,000	37,000

Thaddeus Stevens College of Technology enrollments are expected to increase in 2001-02 due to implementation of the information technology associate degree program.

Programs evaluated will be relatively minimal through 2001-02. A transition to new general standards for teacher preparation programs will occur beginning in 2002-03.

Teacher certifications decrease from projections shown in last year's budget due to the transfer of responsibility for certification of preliminary education for Certified Public Accountants from the Department of Education to the Department of State.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	GENERAL FUND:				
	Thaddeus Stevens College of Technology		\$	218	Rural Initiatives
\$	-1,000	—nonrecurring projects		-625	—to continue current program.
	359	—to continue current program.			—nonrecurring projects.
	379	—Initiative— Associate of Applied Science Nursing Degree Program. To establish an Associate of Applied Science degree in Nursing through partnership between Thaddeus Stevens and Lancaster Institute for Health Education.	\$	-407	<i>Appropriation Decrease</i>
			\$	-500	Osteopathic Education
					—nonrecurring projects.
			\$	18,102	State System of Higher Education (SSHE)
\$	-262	<i>Appropriation Decrease</i>		-19,283	—to provide an increase in State support.
					—nonrecurring projects.
					<i>Appropriation Decrease</i>
			\$	-1,181	
\$	9,216	Community Colleges			Pennsylvania State University
		—Initiative—Community College Reimbursement Increase. To increase the Community College reimbursement rate by \$100 per equivalent full-time student.	\$	9,552	—to provide an increase in State support.
				-7,500	—nonrecurring projects.
					<i>Appropriation Increase</i>
			\$	2,052	
\$	-5,000	Community Colleges - Equipment			University of Pittsburgh
		—nonrecurring projects.			—to provide an increase in State support.
			\$	5,048	—nonrecurring projects.
\$	-425	Regional Community Colleges Services		-9,110	<i>Appropriation Decrease</i>
		—nonrecurring projects.			
			\$	-4,062	
\$	271	Higher Education for the Disadvantaged			Temple University
		—to continue current program.			—to provide an increase in State support.
			\$	5,083	—nonrecurring projects.
\$	2	Higher Education of Blind or Deaf Students		-9,600	<i>Appropriation Decrease</i>
		—to continue current program.			
			\$	-4,517	
\$	2,000	Higher Education Graduation Incentive			Lincoln University
		—to provide additional monetary incentives to encourage public and private higher education institutions to offer the opportunity for undergraduate students to complete degrees within four years.	\$	350	—to provide an increase in State support.
				-1,300	—nonrecurring projects.
					<i>Appropriation Decrease</i>
			\$	-950	
\$	3,000	Dormitory Sprinklers			
		—to provide assistance in securing dormitory sprinklers.			

Program: Higher Education (continued)

Program Recommendations: (continued) This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ -3,748	Non-State-related Universities and Colleges —nonrecurring projects at the Pennsylvania College of Optometry and MCP Hahnemann University and to provide an increase in State support for Drexel University and Veterinary Activities at the University of Pennsylvania.	\$ 8	KEYSTONE RECREATION, PARK AND CONSERVATION FUND: State System of Higher Education - Deferred Maintenance (EA) —to continue current program.
\$ -200	Non-State-related Institutions —nonrecurring project at Berean.		

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Thaddeus Stevens College of Technology ..	\$ 7,560	\$ 8,061	\$ 7,799	\$ 7,726	\$ 7,881	\$ 8,040	\$ 8,201
Community Colleges	164,981	178,340	187,556	187,556	187,556	187,556	187,556
Community Colleges- Equipment	0	5,000	0	0	0	0	0
Regional Community Colleges Services	400	425	0	0	0	0	0
Community Colleges - Workforce Development	0	2,000	2,000	2,000	2,000	2,000	2,000
Higher Education for the Disadvantaged	8,828	9,049	9,320	9,320	9,320	9,320	9,320
Higher Education of Blind or Deaf Students	52	52	54	54	54	54	54
Higher Education Technology Grants	10,000	5,500	5,500	5,500	5,500	5,500	5,500
Higher Education Graduation Incentive	0	6,000	8,000	8,000	8,000	8,000	8,000
Higher Education Equipment	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Engineering Equip Grants	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Dormitory Sprinklers	0	0	3,000	6,000	9,000	12,000	15,000
Rural Initiatives	1,104	1,750	1,343	1,343	1,343	1,343	1,343
Osteopathic Education	1,000	1,500	1,000	1,000	1,000	1,000	1,000
State System of Higher Education	443,858	471,821	470,640	470,640	470,640	470,640	470,640
Pennsylvania State University	314,134	331,949	334,001	334,001	334,001	334,001	334,001
University of Pittsburgh	167,609	177,410	173,348	173,348	173,348	173,348	173,348
Temple University	169,288	179,021	174,504	174,504	174,504	174,504	174,504
Lincoln University	11,358	12,942	11,992	11,992	11,992	11,992	11,992
Non-State-related Universities and Colleges	76,681	80,752	77,004	77,004	77,004	77,004	77,004
Non-State-related Institutions	1,924	2,124	1,924	1,924	1,924	1,924	1,924
TOTAL GENERAL FUND	\$ 1,385,777	\$ 1,480,696	\$ 1,475,985	\$ 1,478,912	\$ 1,482,067	\$ 1,485,226	\$ 1,488,387
 KEYSTONE RECREATION, PARK AND CONSERVATION FUND:							
State System of Higher Education —							
Deferred Maintenance (EA)	\$ 8,594	\$ 9,316	\$ 9,324	\$ 9,703	\$ 10,150	\$ 10,611	\$ 11,064



EMERGENCY MANAGEMENT AGENCY

The mission of the Emergency Management Agency, along with the Office of the State Fire Commissioner, 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 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.

Emergency Management Agency

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00	2000-01	2001-02
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
General Government:			
General Government Operations.....	\$ 5,669 ^a	\$ 6,189	\$ 7,652
(F)Civil Preparedness.....	3,117	3,417	3,424
(F)Flash Flood Project - Warning System.....	18	105	105
(F)Hazardous Materials Planning and Training.....	221	350	469
(F)Chemical Preparedness.....	0	100	100
(F)Domestic Preparedness.....	0	2,000	4,716
(A)Nuclear Facility.....	70	80	80
Information Systems Management.....	802 ^b	2,720	3,139
Subtotal.....	\$ 9,897	\$ 14,961	\$ 19,685
State Fire Commissioner.....	1,736	1,982	2,040
(F)Fire Prevention.....	116	250	250
(A)Fire Academy Fees.....	21	64	75
(A)Arson Fines.....	1	2	2
Subtotal.....	\$ 1,874	\$ 2,298	\$ 2,367
Subtotal - State Funds.....	\$ 8,207	\$ 10,891	\$ 12,831
Subtotal - Federal Funds.....	3,472	6,222	9,064
Subtotal - Augmentations.....	92	146	157
Total - General Government.....	\$ 11,771	\$ 17,259	\$ 22,052
Grants and Subsidies:			
(F)Hazard Mitigation Grants 1994 Winter Disaster (EA).....	\$ 5,798	\$ 8,547	\$ 680
(F)1994 Winter Disaster-Public Assistance (EA).....	251	250	20
(F)January 1996 Flood Disaster (EA).....	9,338	9,373	830
(F)Hazard Mitigation Grants-January 1996 Flood (EA).....	9,814	9,583	670
(F)January 1996 Blizzard Disaster (EA).....	162	100	20
(F)June 1996 Storm Disaster (EA).....	493	590	30
(F)June 1996 Storm Disaster-Hazard Mitigation (EA).....	819	428	90
(F)July 1996 Storm Disaster-Public Assistance (EA).....	3,684	1,738	150
(F)July 1996 Storm Disaster-Hazard Mitigation (EA).....	1,489	1,561	130
(F)September 1996 Storm Disaster (EA).....	585	463	35
(F)September 1996 Storm Disaster - Hazard Mitigation (EA).....	527	674	60
(F)November 1996 Storm Disaster (EA).....	153	86	25
(F)November 1996 Floods-Hazard Mitigation (EA).....	212	103	25
May-June 1998 Storm Disaster-Hazard Mitigation.....	0	200 ^c	0
(F)May-June 1998 Storm Disaster-Public Assistance (EA).....	88	158	40
(F)May-June 1998 Storm Disaster-Hazard Mitigation (EA).....	463	346	10
1999 Disasters-Public Assistance and Hazard Mitigation(6/01).....	575	0	0
1999 Drought Disaster Relief (EA).....	500	0	0
August 1999 Flood Disaster Relief (EA).....	100	0	0
August 1999 Flood Disaster-Hazard Mitigation (EA).....	451	0	0
(F)August 1999 Flood Disaster-Hazard Mitigation (EA).....	1,322	555	300
August 1999 Flood Disaster-Public Assistance (EA).....	374	0	0
(F)August 1999 Flood Disaster-Public Assistance (EA).....	980	1,034	10
September 1999 Tropical Storm Disaster Relief(EA).....	1,000	0	0
September 1999 Tropical Storm Disaster-Public Assistance(EA).....	1,000	0	0
September 99 Tropical Storm Disaster-Public Assistance Match.....	4,400	0	0
(F)September 1999 Tropical Storm Disaster-Public Assistance(EA).....	14,870	4,823	400
September 1999 Tropical Storm Disaster-Hazard Mitigation(EA).....	4,200	0	0
(F)September 1999 Tropical Storm Disaster-Hazard Mitigation(EA).....	4,820	8,064	2,530
February 2000 Flood Disaster Relief (EA).....	500	0	0
July 2000 Storm Disaster Relief (EA).....	0	200	0
Firefighters' Memorial Flag.....	10	10	10
Fire Company Grants.....	0	25,000	0
Urban Search and Rescue.....	50	100	100
Hepatitis C Screening/Prevention Emergency Response.....	0	2,000	0

Emergency Management Agency

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
Subtotal - State Funds.....	\$ 13,160	\$ 28,510	\$ 110
Subtotal - Federal Funds.....	55,868	48,476	6,055
Total - Grants and Subsidies.....	\$ 69,028	\$ 76,986	\$ 6,165
STATE FUNDS.....	\$ 21,367	\$ 39,401	\$ 12,941
FEDERAL FUNDS.....	59,340	54,698	15,119
AUGMENTATIONS.....	92	146	157
GENERAL FUND TOTAL.....	\$ 80,799	\$ 94,245	\$ 28,217
OTHER FUNDS:			
GENERAL FUND:			
Emergency Management and Disaster Assistance.....	\$ 2,167	\$ 2,000	\$ 2,300
Radiological Emergency Response Planning.....	64	709	564
Radiation Emergency Response Fund.....	25	530	500
Radiation Transportation Emergency Response Fund.....	74	39	4
GENERAL FUND TOTAL.....	\$ 2,330	\$ 3,278	\$ 3,368
DISASTER RELIEF FUND:			
January 1996 Disaster Bond Proceeds-Mitigation (EA).....	\$ 0	\$ 757	\$ 840
January 1996 Disaster Bond Proceeds-Flood (EA).....	0	800	850
1996 Disaster Areas-Hazard Mitigation (EA).....	771	100	100
DISASTER RELIEF FUND TOTAL.....	\$ 771	\$ 1,657	\$ 1,790
HAZARDOUS MATERIAL RESPONSE FUND:			
General Operations.....	\$ 114	\$ 117	\$ 117
Hazardous Materials Response Team.....	103	117	117
Grants to Counties.....	824	824	824
Public and Facilities Owners Education.....	110	117	117
HAZARDOUS MATERIAL RESPONSE FUND TOTAL.....	\$ 1,151	\$ 1,175	\$ 1,175
VOLUNTEER COMPANIES LOAN FUND:			
Volunteer Company Loans.....	\$ 17,511	\$ 20,000	\$ 17,400
Volunteer Ambulance Service.....	1,289	0	0
Volunteer Rescue Squads.....	182	0	0
VOLUNTEER COMPANIES LOAN FUND TOTAL.....	\$ 18,982	\$ 20,000	\$ 17,400
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 21,367	\$ 39,401	\$ 12,941
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	59,340	54,698	15,119
AUGMENTATIONS.....	92	146	157
OTHER FUNDS.....	23,234	26,110	23,733
TOTAL ALL FUNDS.....	\$ 104,033	\$ 120,355	\$ 51,950

^a Actually appropriated as \$6,471,000. Amount shown is net of \$802,000 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.

^b Actually appropriated as part of the \$6,471,000 for General Government Operations.

^c Includes recommended supplemental appropriation of \$200,000.

Emergency Management Agency

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
EMERGENCY MANAGEMENT							
GENERAL FUND.....	\$ 19,621	\$ 9,409	\$ 10,891	\$ 8,951	\$ 9,128	\$ 9,309	\$ 9,494
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	59,224	54,448	14,869	12,834	10,279	9,179	8,814
OTHER FUNDS.....	4,322	6,190	6,413	5,181	5,040	4,790	4,841
SUBCATEGORY TOTAL.....	\$ 83,167	\$ 70,047	\$ 32,173	\$ 26,966	\$ 24,447	\$ 23,278	\$ 23,149
FIRE PREVENTION AND SAFETY							
GENERAL FUND.....	\$ 1,746	\$ 29,992	\$ 2,050	\$ 2,091	\$ 2,133	\$ 2,175	\$ 2,218
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	116	250	250	250	250	250	250
OTHER FUNDS.....	19,004	20,066	17,477	13,579	13,581	13,583	13,585
SUBCATEGORY TOTAL.....	\$ 20,866	\$ 50,308	\$ 19,777	\$ 15,920	\$ 15,964	\$ 16,008	\$ 16,053
ALL PROGRAMS:							
GENERAL FUND.....	\$ 21,367	\$ 39,401	\$ 12,941	\$ 11,042	\$ 11,261	\$ 11,484	\$ 11,712
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	59,340	54,698	15,119	13,084	10,529	9,429	9,064
OTHER FUNDS.....	23,326	26,256	23,890	18,760	18,621	18,373	18,426
DEPARTMENT TOTAL.....	\$ 104,033	\$ 120,355	\$ 51,950	\$ 42,886	\$ 40,411	\$ 39,286	\$ 39,202

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 deploying 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.

Act 64 of 1999, the Emergency Management Assistance Compact, allows PEMA to provide and coordinate emergency services to other states participating in a mutual assistance agreement. The Governor is authorized to transfer up to \$15 million in unused appropriated funds for these expenses, which may be reimbursed by other states.

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.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
County/Local Emergency plans developed ..	3,544	3,570	3,570	3,570	3,570	3,570	3,570
Emergency management training recipients .	4,000	4,500	5,000	4,500	5,000	5,000	5,000
Emergency management grants	266	267	270	270	270	270	270
Emergency exercise participants	550,000	600,000	600,000	650,000	650,000	650,000	650,000
Responses to Statewide emergency incidents	3,575	3,800	3,950	4,100	4,225	4,350	4,500

Emergency Management training recipients increase from the projections shown in last year's budget because of Federal and State mandates to increase training to meet certification criteria.

Emergency exercise participants increased from the projections shown in last year's budget because more schools, daycares, personal care homes and hospitals participated for the first time in the annual weather exercise.

Emergency Management Agency

Program: Emergency Management (continued)

Program Measures: (continued)	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Federal disaster funds disbursed (in thousands)	\$58,170	\$18,410	\$4,265	\$3,900	\$200	\$100	\$100

Federal disaster funds disbursed increases from the projections shown in last year's budget because of three new Presidential Declarations of Major Disaster in fourteen (14) counties since September 1999. Disasters declared will also result in fluctuations in future years.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations		Information Systems Management	
\$	478 213 862 -90 <hr/> 1,463	\$	100 150 900 64 385 -720 -290 -170 <hr/> 419
	— to continue current program. — for expansion of hazard mitigation and public assistance programs. — for expansion of leased space and furniture. — nonrecurring equipment for an emergency communications truck. <i>Appropriation Increase</i>		— Initiative — Statewide Public Safety Radio System. To provide radio equipment for use during emergency situations. — for weather radio equipment. — for replacement, upgrade and redundancy of telephone systems, satellite systems and video and computer equipment. — for expansion of systems into new leased space. — to continue current program. — nonrecurring radio equipment. — nonrecurring video and data equipment. — nonrecurring video conferencing equipment. <i>Appropriation Increase</i>
May – June 1998 Storm Disaster – Hazard Mitigation			
\$	-200		
	— nonrecurring State funds for hazard mitigation.		
July 2000 Storm Disaster Relief(EA)			
\$	-200		
	— nonrecurring State funds for disaster relief.		

Urban Search and Rescue is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
General Government Operations	5,669	6,189	7,652	7,407	7,555	7,706	7,861
Information Systems Management	802	2,720	3,139	1,444	1,473	1,503	1,533
May-June 1998 Storm Disaster -							
Hazard Mitigation	0	200	0	0	0	0	0
1999 Drought Disaster Relief (EA)	500	0	0	0	0	0	0
1999 Disasters-Public Assistance and							
Hazard Mitigation(6/01)	575	0	0	0	0	0	0
August 1999 Flood Disaster Relief (EA)	100	0	0	0	0	0	0
August 1999 Flood Disaster- Hazard							
Mitigation (EA)	451	0	0	0	0	0	0
August 1999 Flood Disaster- Public							
Assistance (EA)	374	0	0	0	0	0	0
September 1999 Tropical Storm Disaster							
Relief(EA)	1,000	0	0	0	0	0	0
September 1999 Tropical Storm Disaster-							
Public Assistance(EA)	1,000	0	0	0	0	0	0
September 99 Tropical Storm Disaster-							
Public Assistance Match	4,400	0	0	0	0	0	0
September 1999 Tropical Storm Disaster-							
Hazard Mitigation(EA)	4,200	0	0	0	0	0	0
February 2000 Flood Disaster Relief (EA) ..	500	0	0	0	0	0	0
July 2000 Storm Disaster Relief (EA)	0	200	0	0	0	0	0
Urban Search and Rescue	50	100	100	100	100	100	100
TOTAL GENERAL FUND	\$ 19,621	\$ 9,409	\$ 10,891	\$ 8,951	\$ 9,128	\$ 9,309	\$ 9,494

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 60,000 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.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Local fire training graduates	55,148	60,000	60,000	60,000	60,000	60,000	60,000
State Fire Academy graduates	3,491	6,500	6,500	6,500	6,500	6,500	6,500
Volunteer loans granted (in thousands)	\$18,982	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000

State Fire Academy graduates decreased in 1999-00 from the projection shown in last year's budget 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)

<p>State Fire Commissioner</p> <p>\$ 115 —to continue current program.</p> <p>70 —for exhaust venting system equipment.</p> <p>60 —for rescue pumper truck.</p> <p>-105 —nonrecurring breathing apparatus and infrared equipment.</p> <p>-82 —nonrecurring administrative costs related to the fire company grants program.</p> <hr style="width: 50%; margin-left: 0;"/> <p>\$ 58 <i>Appropriation Increase</i></p>	<p>Fire Company Grants</p> <p>\$ -25,000 —nonrecurring grant program.</p> <p>Hepatitis C Screening/Prevention Emergency Response</p> <p>\$ -2,000 —nonrecurring grant program.</p> <p>Red Cross Extended Care Program</p> <p>\$ -1,000 —nonrecurring grant program.</p>
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Firefighters' Memorial Flag is continued at the current level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
State Fire Commissioner	\$ 1,736	\$ 1,982	\$ 2,040	\$ 2,081	\$ 2,123	\$ 2,165	\$ 2,208
Firefighters' Memorial Flag	10	10	10	10	10	10	10
Fire Company Grants	0	25,000	0	0	0	0	0
Hepatitis C Screening/Prevention Emergency Response	0	2,000	0	0	0	0	0
Red Cross Extended Care Program	0	1,000	0	0	0	0	0
TOTAL GENERAL FUND	\$ 1,746	\$ 29,992	\$ 2,050	\$ 2,091	\$ 2,133	\$ 2,175	\$ 2,218



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.

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
(F)State Energy Program.....	3,026	4,209	4,951
(F)Pollution Prevention.....	113	200	200
(F)Heavy Duty Vehicle Program.....	0	200	200
(F)Alternative Fuels.....	93	175	175
(F)National Industrial Competitiveness.....	410	933	933
Subtotal.....	\$ 6,331	\$ 9,248	\$ 10,277
Environmental Protection Operations.....	71,402	76,598	77,679
(F)EPA Planning Grant - Administration.....	5,288	6,400	6,800
(F)Water Pollution Control Grants.....	3,361	3,600	3,600
(F)Air Pollution Control Grants.....	2,599	2,700	2,700
(F)Surface Mine Control and Reclamation.....	6,895	7,483	7,583
(F)Construction Management Assistance Grants.....	345	350	350
(F)Safe Drinking Water.....	2,031	2,150	2,350
(F)Oil Pollution Spills Removal.....	7	1,000	1,000
(F)Great Lakes National Program.....	18	75	75
(F)Emergency Disaster Relief (EA).....	69	120	120
(F)Technical Assistance to Small Systems (EA).....	760	3,263	3,263
(F)Assistance to State Programs (EA).....	1,762	2,800	2,800
(F)Local Assistance and Source Water Protection (EA).....	2,072	5,500	6,600
(A)Clean Air Fund.....	1,056	3,226	2,300
(A)Clean Water Fund.....	87	287	300
(A)Vehicle Sale.....	173	10	100
(A)Reimbursement from Water Pollution Control Revolving Fund.....	354	740	365
(A)Safe Drinking Water Account.....	110	247	100
(A)Solid Waste Abatement.....	115	360	250
(A)Reimbursement - PENNVEST.....	98	300	101
(A)Reimbursement - Department Services.....	70	63	65
(A)PADOT ISTEPA Program.....	199	180	210
(A)Safe Drinking Water Revolving Fund.....	757	520	780
Subtotal.....	\$ 99,628	\$ 117,972	\$ 119,491
Safe Water.....	12,456	18,415	0
Black Fly Control and Research.....	4,000	4,734	4,899
(A)County Contributions.....	798	850	850
Subtotal.....	\$ 4,798	\$ 5,584	\$ 5,749
West Nile Virus Control.....	3,157	8,280	8,242
Subtotal - State Funds.....	\$ 159,838	\$ 180,206	\$ 173,079
Subtotal - Federal Funds.....	84,748	118,551	113,738
Subtotal - Augmentations.....	20,147	26,672	26,432
Subtotal - Restricted Revenues.....	2,181	3,125	2,025
Total - General Government.....	\$ 266,914	\$ 328,554	\$ 315,274
Grants and Subsidies:			
Flood Control Projects.....	\$ 862	\$ 1,425	\$ 2,737
Storm Water Management.....	1,057	1,200	1,200
Sewage Facilities Planning Grants.....	1,950	1,950	1,950
Sewage Facilities Enforcement Grants.....	4,384	5,000	5,000
Sewage Treatment Plant Operations Grants.....	46,300	48,700	51,100
Environmental Stewardship Fund.....	53,375	100,000	100,000
Environmental Education.....	2,000	0	0
Delaware River Master.....	91	95	95
Ohio River Basin Commission.....	14	16	16
Susquehanna River Basin Commission.....	600	654	675
Interstate Commission on the Potomac River.....	40	41	42
Delaware River Basin Commission.....	1,049	1,049	1,089
Ohio River Valley Water Sanitation Commission.....	160	165	165
Chesapeake Bay Commission.....	265	265	265

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00	2000-01	2001-02
	ACTUAL	AVAILABLE	BUDGET
Local Soil and Water District Assistance	3,100	3,100	3,100
(A) Soil and Water Assistance Augmentations.....	299	0	0
Interstate Mining Commission	22	25	27
Northeast-Midwest Institute	0	58	58
Stevenson Dam Feasibility Study (06/02)	0	2,000	0
Sediment Characterization Study	0	300	0
Small Water System Regionalization	324	400	400
Orphan Well Plugging	500	0	0
Full-Cost Bonding Transition	0	0	7,000
Sea Grant Program	0	0	250
Great Lakes Commission Project	0	0	113
Subtotal - State Funds.....	\$ 116,093	\$ 166,443	\$ 175,282
Subtotal - Augmentations.....	299	0	0
Total - Grants and Subsidies.....	\$ 116,392	\$ 166,443	\$ 175,282
STATE FUNDS.....	\$ 275,931	\$ 346,649	\$ 348,361
FEDERAL FUNDS.....	84,748	118,551	113,738
AUGMENTATIONS.....	20,446	26,672	26,432
RESTRICTED REVENUES.....	2,181	3,125	2,025
GENERAL FUND TOTAL	\$ 383,306	\$ 494,997	\$ 490,556
<u>ENVIRONMENTAL STEWARDSHIP FUND:</u>			
<i>General Government:</i>			
Oil and Gas Well Plugging (EA).....	\$ 860	\$ 3,000	\$ 3,000
Abandoned Mine Reclamation and Remediation (EA).....	6,259	10,000	10,000
Total - General Government.....	\$ 7,119	\$ 13,000	\$ 13,000
<i>Grants and Subsidies:</i>			
Watershed Protection and Restoration (EA).....	\$ 30,450	\$ 32,099	\$ 37,931
Sewage and Drinking Water Grants (EA).....	0	5,011	1,000
Total - Grants and Subsidies.....	\$ 30,450	\$ 37,110	\$ 38,931
ENVIRONMENTAL STEWARDSHIP FUND TOTAL	\$ 37,569	\$ 50,110	\$ 51,931
<u>MOTOR LICENSE FUND:</u>			
<i>General Government:</i>			
Dirt and Gravel Road.....	\$ 4,000	\$ 4,000	\$ 4,000
<u>OTHER FUNDS:</u>			
GENERAL FUND:			
Safe Drinking Water Account.....	\$ 0	\$ 900	\$ 900
Radiation Protection Fund.....	4,998	4,829	5,231
Clean Water Fund.....	0	3,203	4,000
Solid Waste Abatement Fund.....	0	2,000	2,000
Well Plugging Account.....	503	333	476
Abandoned Well Plugging.....	250	175	175
Orphan Well Plugging.....	587	400	600
Alternative Fuels Incentive Grants.....	8,106	7,804	4,700
Industrial Land Recycling.....	(19)	22	22
GENERAL FUND TOTAL	\$ 14,425	\$ 19,666	\$ 18,104

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
ACID MINE DRAINAGE ABATEMENT AND TREATMENT FUND:			
Acid Mine Drainage Abatement and Treatment (F) (EA).....	\$ 2,929	\$ 4,707	\$ 2,964
CLEAN AIR FUND:			
Major Emission Facilities (EA).....	\$ 15,819	\$ 25,146	\$ 20,255
Mobile and Area Facilities (EA).....	5,405	8,911	6,380
CLEAN AIR FUND TOTAL.....	\$ 21,224	\$ 34,057	\$ 26,635
COAL AND CLAY MINE SUBSIDENCE INSURANCE FUND:			
General Operations (EA).....	\$ 2,174	\$ 3,094	\$ 2,766
Payment of Claims (EA).....	2,000	2,000	2,000
COAL AND CLAY MINE SUBSIDENCE INSURANCE FUND TOTAL.....	\$ 4,174	\$ 5,094	\$ 4,766
ENERGY CONSERVATION AND ASSISTANCE FUND:			
Energy Conservation.....	\$ 644	\$ 543	\$ 859
ENVIRONMENTAL EDUCATION FUND:			
General Operations (EA).....	\$ 342	\$ 560	\$ 572
HAZARDOUS SITES CLEANUP FUND:			
General Operations (EA).....	\$ 17,012	\$ 17,500	\$ 18,466
Hazardous Sites Cleanup (EA).....	42,000	44,500	45,000
Host Municipality Grants (EA).....	907	1,300	1,300
Transfer-Industrial Sites Environmental Assessment Fund (EA).....	2,000	2,000	2,000
Small Business Pollution Prevention (EA).....	1,463	0	0
Transfer to Small Business First Fund (EA).....	2,000	0	0
Transfer to Environmental Stewardship Fund (EA).....	5,000	5,000	5,000
NonHazardous Material Cleanup - 1999 Flood (EA).....	94	0	0
HAZARDOUS SITES CLEANUP FUND TOTAL.....	\$ 70,476	\$ 70,300	\$ 71,766
LOW LEVEL WASTE FUND:			
General Operations (EA).....	\$ 772	\$ 707	\$ 1,249
NON-COAL SURFACE MINING CONSERVATION & RECLAMATION FUND:			
General Operations (EA).....	\$ 15	\$ 800	\$ 800
NUTRIENT MANAGEMENT FUND:			
Education, Research and Technical Assistance (EA).....	\$ 1,045	\$ 1,250	\$ 1,340
RECYCLING FUND:			
Recycling Coordinator Reimbursement (EA).....	\$ 900	\$ 900	\$ 900
Reimbursement for Municipal Inspection (EA).....	250	375	375
Reimburse-Host Municipality Permit Applications Review (EA).....	0	10	10
Administration of Recycling Program (EA).....	2,009	2,300	2,700
County Planning Grants (EA).....	411	1,000	500
Municipal Recycling Grants (EA).....	23,576	31,500	31,500
Municipal Recycling Performance Program (EA).....	18,284	20,000	20,000
Public Education/Technical Assistance (EA).....	9,066	10,000	10,000
Waste Tire Reuse (EA).....	994	1,000	0
Small Business Pollution Prevention (EA).....	0	2,000	2,000
Tax Credit Transfers (EA).....	2,000	1,000	0
Waste Tire Pile Remediation (EA).....	1,000	1,000	1,000
Forest Lands Beautification Act.....	1,500	1,500	1,500
Transfer to Environmental Stewardship Fund (EA).....	25,000	25,000	25,000
RECYCLING FUND TOTAL.....	\$ 84,990	\$ 97,585	\$ 95,485

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
REMINING ENVIRONMENTAL ENHANCEMENT FUND:			
Remining and Reclamation Incentives (EA).....	\$ 148	\$ 1,000	\$ 1,000
REMINING FINANCIAL ASSURANCE FUND:			
Remining Financial Assurance (EA).....	\$ 0	\$ 25	\$ 25
STORAGE TANK FUND:			
General Operations (EA).....	\$ 7,334	\$ 9,583	\$ 8,742
Underground Storage Tanks (F) - (EA).....	220	251	251
Leaking Underground Storage Tanks (F) - (EA).....	1,871	2,500	2,500
Transfer to Storage Tank Loan Program.....	0 ^a	0 ^a	0 ^a
STORAGE TANK FUND TOTAL.....	\$ 9,425	\$ 12,334	\$ 11,493
SURFACE MINING CONSERVATION & RECLAMATION FUND:			
General Operations (EA).....	\$ 2,197	\$ 2,844	\$ 2,705
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND:			
Environmental Cleanup Program (EA).....	\$ 5,291	\$ 5,500	\$ 5,500
Pollution Prevention Program (EA).....	830	1,000	1,000
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND TOTAL.....	\$ 6,121	\$ 6,500	\$ 6,500
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 275,931	\$ 346,649	\$ 348,361
SPECIAL FUNDS.....	41,569	54,110	55,931
FEDERAL FUNDS.....	84,748	118,551	113,738
AUGMENTATIONS.....	20,446	26,672	26,432
RESTRICTED.....	2,181	3,125	2,025
OTHER FUNDS.....	218,927	257,972	246,263
TOTAL ALL FUNDS.....	\$ 643,802	\$ 807,079	\$ 792,750

^a Although authorized by legislation, no activity is anticipated during the year.

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
ENVIRONMENTAL SUPPORT SERVICES							
GENERAL FUND.....	\$ 20,814	\$ 21,572	\$ 23,924	\$ 21,852	\$ 22,288	\$ 22,736	\$ 23,191
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,240	350	380	380	380	380	380
OTHER FUNDS.....	15,141	17,323	18,431	18,980	19,540	20,130	20,730
SUBCATEGORY TOTAL.....	\$ 37,195	\$ 39,245	\$ 42,735	\$ 41,212	\$ 42,208	\$ 43,246	\$ 44,301
ENVIRONMENTAL PROTECTION AND MANAGEMENT							
GENERAL FUND.....	\$ 255,117	\$ 325,077	\$ 324,437	\$ 319,547	\$ 322,331	\$ 225,375	\$ 228,480
SPECIAL FUNDS.....	41,569	54,110	55,931	55,238	55,238	4,000	4,000
FEDERAL FUNDS.....	83,508	118,201	113,358	113,158	112,958	112,958	112,958
OTHER FUNDS.....	226,413	270,446	256,289	246,607	238,107	203,724	200,959
SUBCATEGORY TOTAL.....	\$ 606,607	\$ 767,834	\$ 750,015	\$ 734,550	\$ 728,634	\$ 546,057	\$ 546,397
ALL PROGRAMS:							
GENERAL FUND.....	\$ 275,931	\$ 346,649	\$ 348,361	\$ 341,399	\$ 344,619	\$ 248,111	\$ 251,671
SPECIAL FUNDS.....	41,569	54,110	55,931	55,238	55,238	4,000	4,000
FEDERAL FUNDS.....	84,748	118,551	113,738	113,538	113,338	113,338	113,338
OTHER FUNDS.....	241,554	287,769	274,720	265,587	257,647	223,854	221,689
DEPARTMENT TOTAL.....	\$ 643,802	\$ 807,079	\$ 792,750	\$ 775,762	\$ 770,842	\$ 589,303	\$ 590,698

Environmental Protection

PROGRAM OBJECTIVE: To provide administrative and technical support for the Commonwealth's environmental protection programs.

Program: Environmental Support Services

This program provides the administrative and technical systems 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. When the revised standards for laboratory operations are in place, each piece of data from samples will undergo additional quality assurance measures for all program areas.

The Environmental Hearing Board's purpose is to safeguard the environmental rights of Pennsylvania's citizens through appeals of actions taken or instituted by the Department of Environmental Protection and/or the private sector. It is included here for presentation purposes.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Laboratory Analyses Supporting Programs							
Mining	419,000	400,000	390,000	390,000	390,000	390,000	390,000
Air	52,000	51,000	51,000	51,000	51,000	51,000	51,000
Water	143,000	150,000	150,000	150,000	150,000	150,000	150,000
Waste Management	261,000	318,000	318,000	318,000	318,000	318,000	318,000
Safe Drinking Water	70,000	83,000	83,000	83,000	83,000	83,000	83,000
Radiation Protection	8,000	14,000	14,000	14,000	14,000	14,000	14,000
Other	72,000	85,000	85,000	85,000	85,000	85,000	85,000
Total	1,025,000	1,101,000	1,091,000	1,091,000	1,091,000	1,091,000	1,091,000

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.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	General Government Operations			
\$ 1,161	—Initiative — Laboratory Improvements. To renovate the Evangelical Press Building laboratory facility and to extend the current lease.		205	—Initiative — eFacts Help Desk. To expand eFacts Help Desk activities.
900	—Initiative — E-Commerce. To develop and deploy an electronic commerce strategy.		35	—Initiative — Sound Land Use. To provide administrative support for the sound land use program.
500	—Initiative — Electronic Document Management. To develop a pilot electronic document imaging program and management system.		29	—Initiative — Environmental Education. To provide additional administrative support for environmental education activities.
259	—Initiative — Geographic Information System Software. To obtain a site license for geographic information system software.		—872	—nonrecurring projects.
			\$ 2,217	<i>Appropriation Increase</i>
				Environmental Hearing Board
			\$ 135	—to continue current program.

Environmental Protection

Program: Environmental Support Services (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
General Government Operations	\$ 19,237	\$ 19,891	\$ 22,108	\$ 20,000	\$ 20,399	\$ 20,809	\$ 21,225
Environmental Hearing Board	1,577	1,681	1,816	1,852	1,889	1,927	1,966
TOTAL GENERAL FUND	\$ 20,814	\$ 21,572	\$ 23,924	\$ 21,852	\$ 22,288	\$ 22,736	\$ 23,191

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 Protection, a number of program elements are affected: Water Quality Protection, Water Supply Management, Regulation of Mining, and Watershed Conservation. Expanded activities include the reclamation of abandoned mines, plugging of certain oil and gas wells, protection and restoration of watersheds, and improvements to drinking water and sewer systems.

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. Some pollutants of primary concern to the agency include suspended particulates, sulfur and nitrogen oxides, ground-level ozone, volatile organic compounds and toxic air pollutants.

Monitoring air quality occurs at two levels. Ambient (outside) monitoring measures overall air quality in an area. The Commonwealth maintains a network of 55 ambient monitoring sites and 26 fine-particulate 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. Particular issues under this program include biosolids, wastewater management, erosion control, nutrient management, the Chesapeake Bay, wetlands protection, water obstructions and encroachments, and conservation district support.

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

Program: Environmental Protection and Management (continued)

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 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. The Small Water Systems Assistance Act, Act 5 of 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 \$1.7 million in grants to fund 41 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 2000 spray season, 34 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 2001 spray season.

The department has been given the responsibility for West Nile Virus (WNV) surveillance and control in an interagency effort with the Departments of Health and Agriculture. Protecting the public from this virus requires

an integrated pest management program. This program includes monitoring of mosquito populations, control activities for mosquitoes that may carry the virus, determination of virus distribution, and examination of unknown vectors and reservoirs involved in the transmission of this virus. This program also involves development and maintenance of a data sharing system, outreach, and a funding program to build a long-term infrastructure for county government. Coordinated communications play a key role in each phase of this effort. This program is not intended to be a general mosquito control program, but to reduce the public safety health threat.

When the department's Mosquito Surveillance Program began on April 3, 2000, there were no counties actively conducting WNV surveillance. By November 2000, 59 counties were involved in the program, generating more than 10,000 samples. These samples produced 42 positive pools of mosquitoes from eight different species. Three of these species had not been known to harbor WNV. The 2000 surveillance effort also provided the foundation for a comprehensive understanding of mosquito distribution and abundance in Pennsylvania. It is expected that all 67 counties will be actively involved in the 2001 program.

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 1998, 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

Program: Environmental Protection and Management (continued)

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 38 million tons are generated annually with approximately 2.8 million tons being disposed of in the State's municipal waste landfills. 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 by 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 optical images of documents, identify discrepancies and develop reports. Approximately 250,000 manifests are processed each year. In 1998, the department began accepting various reports electronically to reduce the need to enter data and facilitate reporting by industry.

In May 1999, the department finalized comprehensive revisions to its hazardous waste regulations to make them consistent with the Federal requirements, thereby easing the regulatory burden on business by assuring one standard for compliance. Pennsylvania submitted an application to the United States Environmental Protection Agency for its revised program authorization and expects to be fully authorized in 2001.

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 that in turn provide economic and environmental benefits. This has helped move Pennsylvania away from the controversial and costly Federal Superfund Program and streamlined the State Hazardous Sites Cleanup Program. At present, the department is actively involved in over 105 Superfund sites and 40 State Hazardous Sites Cleanup Program sites.

In 2000, the Land Recycling Program achieved a milestone by receiving 1,000 notices of intent to remediate a site, while 777 cleanups have been completed in five years under the Land Recycling Program. Additionally, the department created the Brownfields Inventory Grant Program in 1999 to further encourage cleanups by providing grants to local government and economic development agencies to inventory brownfields properties in their areas.

Program Element: Regulation of Mining

Regulation of Mining helps to ensure the wise use of Pennsylvania's mineral resources and 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

Program: Environmental Protection and Management (continued)

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 Remaining 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 remaining.

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 source users. This involves registering radiation producing equipment, licensing of users of radioactive materials and inspecting facilities to assure compliance with regulations. For example, the department is responsible for the inspection of over 10,900 users possessing approximately 30,320 x-ray units and over 430 users of naturally-occurring and accelerator-produced radioactive material.

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

Program: Environmental Protection and Management (continued)

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 3,200 dams under active permits in the Commonwealth. Of this total, there are 900 high-hazard dams and 2,300 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. To date, the Commonwealth has constructed 157 major flood protection projects at 92 locations.

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 35,486 miles of streams in the Commonwealth. A total of 28,235 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. This represents 79.5% of the miles assessed.

There are 356 storm water management watersheds in the Commonwealth. Of this total, 69 plans involving 43 counties and 626 municipalities have been completed. An

additional 52 plans are underway with 29 counties that will involve an additional 387 municipalities.

A 2000 assessment of water quality problems reported that 205 miles out of the 35,486 miles of streams assessed were being impacted by point sources and about 6,718 miles by nonpoint sources and 338 miles by a combination of the two. The major nonpoint source impacts were caused by abandoned mine drainage (2,711 miles) and agricultural runoff (2,736 miles).

The Commonwealth has more than 51,000 regulated aboveground and underground storage tanks and many thousands more which are unregulated. Key program initiatives include the annual registration of storage tanks; maintaining the Storage Tank Data System; permitting of new and existing storage tanks; inspecting existing storage tanks; certifying storage tank installers and inspectors; providing technical and operational assistance; and pursuing enforcement actions when necessary. Emphasis was placed on upgrading existing underground storage tanks to meet new Federal tank standards that were 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,

Program: Environmental Protection and Management (continued)

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.

OPPCA will also house the Growing Greener Grant Center. This center will provide a single point of contact to obtain streamlined information about environmental grants available from the department and other agencies. The Center's purpose will be to evaluate and improve effectiveness, prevent fraud and reduce waste.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Air Quality							
Air emission operating permits in effect	2,750	2,500	2,200	2,250	2,300	2,400	2,500
Air emission inspections performed	11,000	11,000	11,000	11,000	11,000	11,000	11,000
<p>Air emission operating permits in effect decrease from projections shown in last year's budget as the result of new Federal requirements. For example, the Federal Clean Air Act requires that facility-wide permits be issued rather than the individual source permits previously used. However, once all facility-wide permits are issued, operating permits are expected to increase in future years as a result of new facilities coming online.</p> <p>Air emission inspections performed expect to remain constant as Federal and State regulations increase facility responsibilities to demonstrate compliance which, in turn, increases agency staff workload to complete inspections and permit reviews.</p>							
Water Quality Protection							
Sewage and industrial waste discharge inspections	4,140	4,000	4,000	4,000	4,000	4,000	4,000
Permits issued for water pollution control facilities	1,115	1,200	1,200	1,200	1,200	1,200	1,200
Enforcement actions	194	150	150	150	150	150	150
Stormwater construction permits issued	1,222	1,350	1,350	1,350	1,350	1,350	1,350
<p>Sewage and industrial waste discharge inspections may decrease slightly in future year projections because more emphasis is being placed on non-point sources of pollution and nontraditional point sources of pollution, such as concentrated animal feeding operations, combined sewer overflows and sanitary sewer overflows. Regions will use a compliance reporting system to prioritize facilities to be inspected.</p> <p>Enforcement actions increased in 1999-00 over the projection shown in last year's budget as many multi-year cases were resolved during this reporting year.</p> <p>Stormwater construction permits issued decreased from the projections shown in last year's budget as the pace of development slows and more attention focuses on land use planning issues.</p>							

Environmental Protection

Program: Environmental Protection and Management (continued)

Program Measures: (continued)	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Water Supply Management							
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	2,572	3,000	3,000	3,000	3,000	3,000	3,000
Community water systems complying with reporting requirements.	79%	80%	80%	80%	80%	80%	80%
Non-community water systems complying with reporting requirements.	81%	85%	85%	85%	85%	85%	85%
Municipal and Residual Waste							
Municipal and residual waste facilities receiving permit or closure action	418	425	425	425	425	425	425
Percent of municipal waste diverted from landfills	57%	58%	59%	60%	61%	62%	63%
<p>The municipal and residual waste facilities permitted measure has been expanded to include all types of permit changes including closure of facilities. Permit or closure actions decrease, in part, because of the finalization of the Municipal and Residual Waste Regulations. Facilities withheld submitting new applications, as well as department decisions stalled on existing applications, awaiting the publication of these regulations in December 2000.</p> <p>The percent of municipal waste diverted from landfills increased slightly from projections shown in last year's budget. Counties and municipalities are discovering more ways to recycle material not specifically required by Act 101, thus increasing Pennsylvania's recycling rate as alternative disposal methods and recycled wastes are counted.</p>							
Hazardous Waste							
Hazardous waste inspections performed	1,864	1,250	1,250	1,250	1,250	1,250	1,250
Hazardous waste sites permitted and licensed under Act 108	159	150	150	150	150	150	150
<p>Hazardous waste inspections performed increased significantly in 1999-00. This is due in part to vacancies being filled to provide more staff to complete inspections, and the department's priority to target auto body repair shops which are plentiful and inspected quickly. However, future year estimates are expected to fluctuate and decrease as the result of changes to federal inspection priorities.</p>							
Land Recycling Program							
Completed industrial site cleanups	1,000	1,075	1,125	1,150	1,175	1,200	1,225
(Cumulative, beginning May 1995)							
<p>Industrial sites participating in the program and remediated in last year's budget have been replaced by the cumulative number of completed industrial site cleanups to better report the impact of this program since its inception in May 1995.</p>							
Regulation of Mining							
Mine permit actions:							
Coal	1,184	1,150	1,100	1,000	1,000	1,000	1,000
Non-coal	451	450	450	450	450	450	450
Inspections:							
Complete coal inspections	9,087	9,050	9,000	9,000	9,000	9,000	9,000
Partial coal inspections	13,453	13,000	13,000	13,000	13,000	13,000	13,000
Non-coal inspections	4,682	4,600	4,600	4,600	4,600	4,600	4,600
Oil and gas field inspections	9,941	9,000	9,000	9,000	9,000	9,000	9,000
Mining compliance orders issued	943	900	800	700	600	500	500
Mine substance insurance policies in effect	45,420	46,500	48,000	52,000	56,000	60,000	60,000
Employees trained in mine safety	8,907	9,000	9,000	9,000	9,000	9,000	9,000
Abandoned mine sites designated as potential safety problems	1,149	1,120	1,090	1,060	1,030	1,000	970
Acres of coal mining lands reclaimed	6,561	6,400	6,300	6,200	6,100	6,000	6,000
Acres of coal mining lands declared forfeited	3,807	700	700	700	700	700	700

Coal and non-coal mine permit actions, as well as mining compliance orders issued, are demand driven and may vary from year-to-year.

Employees trained in mine safety increases from projections shown in last year's budget. The Deep Mine Safety Program's goal is to increase education and training efforts to reduce accidents.

Acres of coal mining lands reclaimed decrease from projections shown in last year's budget due to actual activities and a revision to projected reclamation.

Acres of coal mining lands declared forfeited increase from projections shown in last year's budget because of actual mine closings.

Environmental Protection

Program: Environmental Protection and Management (continued)

Program Measures: (continued)	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Radiation Protection							
Radiation user inspections performed	2,200	2,300	2,300	2,300	2,300	2,300	2,300
Users brought into compliance through inspections	290	340	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	21,200	30,000	30,000	30,000	30,000	30,000	30,000

Cubic feet of low-level radioactive waste generated in Pennsylvania decreased in 1999-00 from the projection show in last year's budget because of facility de-commissioning projects in progress.

Waterways Engineering							
Dam inspections	1,172	1,250	1,290	1,290	1,290	1,290	1,290

Dam inspections were lower in 1999-00 as a result of the department responding to other issues related to Hurricane Floyd.

Watershed Conservation							
Cumulative assessed stream miles attaining designated uses	9,268	8,710	8,820	8,930	9,050	9,160	9,270

Cumulative assessed stream miles attaining designated uses increased in 1999-00 from the projection shown in last year's budget because of an agreement with the Federal Environmental Protection Agency to assess smaller streams.

Alternative Fuels Incentive Grant Program							
Vehicle conversions/new alternative fuel vehicles	520	750	750	750	750	750	750
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	100	230	300	410	500	550	600

Vehicle conversions and new alternative fuel vehicles increase from those shown in last year's budget due to actual program activities. The program primarily focuses on the purchase of new alternative vehicles as fewer conversions are being completed. The number of alternative fuel vehicles purchased is expected to increase as more models are available commercially.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>GENERAL FUND</p> <p>Cleanup of Scrap Tires</p> <p>\$ 2,000 —Initiative— Waste Tire Pile Removal. To provide additional resources for the remediation of waste tire piles.</p>	<p>Environmental Program Management</p> <p>781 —Initiative – Wastewater Plant Operator Training. To provide training reimbursement and administrative support for the Wastewater Operator Certification Program.</p> <p>500 —Initiative – Removal of Felix Dam. To remove the remnants of the Felix Dam.</p> <p>400 —Initiative – Electronic Document System. To convert Land Recycling and Waste Management paper documents to electronic records by using electronic document management system tools.</p> <p>200 —Initiative – Radiation Monitoring Plans. To review radiation monitoring plans at municipal waste landfill, resource recovery and waste transfer facilities.</p>	<p>88 —Initiative – Dam Safety/Flood Facility Inspections. To provide administrative support for dam and flood safety engineering and compliance activities.</p> <p>85 —Initiative – Integrated State Water Planning. To provide administrative support on water use and quantity issues consistent with the sound land use program.</p> <p>62 —Initiative – Watershed Assessments. To provide administrative support to determine the maximum daily loads for pollutants in impaired waters.</p> <p>3,227 —to continue current program.</p> <hr style="width: 50px; margin-left: 0;"/> <p>\$ 5,343 <i>Appropriation Increase</i></p> <p>Chesapeake Bay Agricultural Source Abatement</p> <p>\$ 98 —to continue current program.</p>
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Environmental Protection

Program: Environmental Protection and Management (continued)

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>\$ 169</p> <p>50</p> <p>68</p> <hr/> <p>\$ 287</p> <p>\$ 300</p> <p>62</p> <p>50</p> <p>1,720</p> <p>-1,051</p> <hr/> <p>\$ 1,081</p> <p>\$ -18,415</p> <p>\$ 165</p> <p>\$ -38</p> <p>\$ 1,312</p> <p>\$ 2,400</p>	<p>Office of Pollution Protection and Compliance Assistance</p> <p>—Initiative— Governor’s Green Government Council. To provide resources for the Governor’s Green Government Council.</p> <p>—Initiative— PA Partnership for Agriculture, Health and the Environment. To create a partnership of key state agencies, universities, and associations to develop economic, environmental and health indicators and to study issues related to soil, food and health quality.</p> <p>—to continue current program.</p> <p><i>Appropriation Increase</i></p> <p>Environmental Protection Operations</p> <p>—Initiative – Sound Land Use. To provide training to support the sound land use program.</p> <p>—Initiative – Watershed Assessments. To provide administrative support to determine the maximum daily loads for pollutants in impaired waters.</p> <p>—Initiative – Archeological and Historical Consulting Services. To contract with an archeological consulting firm for mine surveys and reports.</p> <p>—to continue current program.</p> <p>—nonrecurring radio system equipment.</p> <p><i>Appropriation Increase</i></p> <p>Safe Water</p> <p>—nonrecurring safe water projects.</p> <p>Black Fly Control and Research</p> <p>—to continue current program.</p> <p>West Nile Virus Control</p> <p>—nonrecurring operating costs.</p> <p>Flood Control Projects</p> <p>—to continue current program.</p> <p>Sewage Treatment Plant Operations Grants</p> <p>—to continue current program.</p>	<p>\$ 21</p> <p>\$ 1</p> <p>\$ 40</p> <p>\$ 2</p> <p>\$ -2,000</p> <p>\$ -300</p> <p>\$ 7,000</p> <p>\$ 250</p> <p>\$ 113</p> <p>\$ 5,832</p> <p>\$ -4,011</p>	<p>Susquehanna River Basin Commission</p> <p>—to continue current level of participation.</p> <p>Interstate Commission on the Potomac River</p> <p>—to continue current level of participation.</p> <p>Delaware River Basin Commission</p> <p>—to continue current level of participation.</p> <p>Interstate Mining Commission</p> <p>—to continue current level of participation.</p> <p>Stevenson Dam Feasibility Study</p> <p>—nonrecurring project.</p> <p>Sediment Characterization Study</p> <p>—nonrecurring project.</p> <p>Full Cost Bonding Transition</p> <p>—Initiative – Full-Cost Bonding. To provide resources for a new full-cost surface coal mining bonding program.</p> <p>Sea Grant Program</p> <p>—Initiative—Pennsylvania Sea Grant Program. To support the Pennsylvania Sea Grant Program, promoting the stewardship of coastal resources.</p> <p>Great Lakes Commission Project</p> <p>—for Commonwealth contribution to Soo Locks project.</p> <p>ENVIRONMENTAL STEWARDSHIP FUND Watershed Protection and Restoration (EA)</p> <p>—for additional grants related to the Growing Greener initiative.</p> <p>Sewage and Drinking Water Grants (EA)</p> <p>—nonrecurring grants related to the Growing Greener initiative.</p>
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This budget commits \$51,931,000 from the Environmental Stewardship Fund for environmental projects related to the Growing Greener initiative.

In addition, \$50,000 in Federal funds will support a contract with an archeological consulting firm for mine surveys and reports.

In addition, \$1.2 million in Other funds and \$400,000 in Federal funds will be used to convert Land Recycling and Waste Management paper documents to electronic records by using electronic document management system tools.

All other appropriations are recommended at the current year funding levels.



Includes the accomplishment of the PRIME recommendation that streamlines the process for review and approval of the construction of Small Flow Sewage Treatment Facilities. The new system reduces the application processing and approval time from over two years to approximately 60 days.

Environmental Protection

Program: Environmental Protection and Management (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Cleanup of Scrap Tires	\$ 2,000	\$ 2,000	\$ 4,000	\$ 4,040	\$ 4,081	\$ 4,123	\$ 4,165
Environmental Program Management	40,200	41,734	47,077	47,270	48,012	48,972	49,952
Chesapeake Bay Agricultural Source Abatement	3,120	3,342	3,440	3,509	3,579	3,651	3,724
Office of Pollution Prevention and Compliance Assistance	2,689	3,531	3,818	3,894	3,972	4,051	4,132
Environmental Protection Operations	71,402	76,598	77,679	79,261	80,846	82,463	84,113
Safe Water	12,456	18,415	0	0	0	0	0
Black Fly Control and Research	4,000	4,734	4,899	4,997	5,097	5,199	5,303
West Nile Virus Control	3,157	8,280	8,242	8,407	8,575	8,747	8,922
Flood Control Projects	862	1,425	2,737	2,737	2,737	2,737	2,737
Storm Water Management	1,057	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	4,384	5,000	5,000	5,000	5,000	5,000	5,000
Sewage Treatment Plant Operations Grants	46,300	48,700	51,100	51,100	51,100	51,100	51,100
Environmental Stewardship Fund	53,375	100,000	100,000	100,000	100,000	0	0
Environmental Education	2,000	0	0	0	0	0	0
Delaware River Master	91	95	95	95	95	95	95
Ohio River Basin Commission	14	16	16	16	16	16	16
Susquehanna River Basin Commission	600	654	675	675	675	675	675
Interstate Commission on the Potomac River	40	41	42	42	42	42	42
Delaware River Basin Commission	1,049	1,049	1,089	1,089	1,089	1,089	1,089
Ohio River Valley Water Sanitation Commission	160	165	165	165	165	165	165
Chesapeake Bay Commission	265	265	265	265	265	265	265
Local Soil and Water District Assistance ..	3,100	3,100	3,100	3,100	3,100	3,100	3,100
Interstate Mining Commission	22	25	27	27	27	27	27
Northeast-Midwest Institute	0	58	58	58	58	58	58
Stevenson Dam Feasibility Study (06/02) ..	0	2,000	0	0	0	0	0
Sediment Characterization Study	0	300	0	0	0	0	0
Small Water System Regionalization	324	400	400	400	400	400	400
Orphan Well Plugging	500	0	0	0	0	0	0
Full-Cost Bonding Transition	0	0	7,000	0	0	0	0
Sea Grant Program	0	0	250	250	250	250	250
Great Lakes Commission Project	0	0	113	0	0	0	0
TOTAL GENERAL FUND	\$ 255,117	\$ 325,077	\$ 324,437	\$ 319,547	\$ 322,331	\$ 225,375	\$ 228,480
ENVIRONMENTAL STEWARDSHIP FUND:							
Oil and Gas Well Plugging (EA)	\$ 860	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 0	\$ 0
Abandoned Mine Reclamation and Remediation (EA)	6,259	10,000	10,000	10,000	10,000	0	0
Watershed Protection and Restoration (EA)	30,450	32,099	37,931	38,238	38,238	0	0
Sewage and Drinking Water Grants (EA) ..	0	5,011	1,000	0	0	0	0
TOTAL ENVIRONMENTAL STEWARDSHIP FUND	\$ 37,569	\$ 50,110	\$ 51,931	\$ 51,238	\$ 51,238	\$ 0	\$ 0
MOTOR LICENSE FUND:							
Dirt and Gravel Road	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000



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)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
GENERAL FUND:			
<i>Grants and Subsidies:</i>			
Atlantic States Marine Fisheries Commission.....	\$ 10	\$ 11	\$ 11
BOAT FUND:			
<i>General Government:</i>			
General Operations (EA).....	\$ 8,145	\$ 8,590	\$ 9,094
(F)US Coast Guard Grant - Boating Safety.....	1,527	1,400	1,380
(F)Sport Fish Restoration.....	1,002	603	661
(F)Clean Vessels.....	10	50	100
(A)Sale of Vehicles.....	27	20	20
Subtotal - State Funds.....	\$ 8,145	\$ 8,590	\$ 9,094
Subtotal - Federal Funds.....	2,539	2,053	2,141
Subtotal - Augmentations.....	27	20	20
Total - General Government.....	\$ 10,711	\$ 10,663	\$ 11,255
STATE FUNDS.....	\$ 8,145	\$ 8,590	\$ 9,094
FEDERAL FUNDS.....	2,539	2,053	2,141
AUGMENTATIONS.....	27	20	20
BOAT FUND TOTAL.....	\$ 10,711	\$ 10,663	\$ 11,255
FISH FUND:			
<i>General Government:</i>			
General Operations (EA).....	\$ 23,500	\$ 27,342	\$ 27,905
(F)Sport Fish Restoration.....	5,537	5,386	5,222
(F)Surface Mine Regulation.....	40	40	40
(F)NOAA.....	445	611	629
(F)Emergency and Disaster Relief - 1996 Flood.....	5	0	0
(F)USFWS - Partner for Fish & Wildlife.....	0	10	7
(A)Sale of Vehicles.....	44	50	50
(A)Reimbursement for Services - Boat Fund.....	0 ^a	0 ^a	0 ^a
(A)Reimbursement - DEP/EPA Projects.....	132	80	110
(A)Reimbursement for Services - PennDOT.....	70	50	50
(A)Reimbursement - Shad Restoration.....	228	0	0
(A)PennDOT Endangered/Threatened Species.....	12	50	50
(A)PennDOT Environmental Assessment.....	0	89	82
(A)Purchasing Card Rebate.....	7	8	8
Subtotal - State Funds.....	\$ 23,500	\$ 27,342	\$ 27,905
Subtotal - Federal Funds.....	6,027	6,047	5,898
Subtotal - Augmentations.....	493	327	350
Total - General Government.....	\$ 30,020	\$ 33,716	\$ 34,153
STATE FUNDS.....	\$ 23,500	\$ 27,342	\$ 27,905
FEDERAL FUNDS.....	6,027	6,047	5,898
AUGMENTATIONS.....	493	327	350
FISH FUND TOTAL.....	\$ 30,020	\$ 33,716	\$ 34,153

Fish and Boat Commission

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 10	\$ 11	\$ 11
SPECIAL FUNDS.....	31,645	35,932	36,999
FEDERAL FUNDS.....	8,566	8,100	8,039
AUGMENTATIONS.....	520	347	370
TOTAL ALL FUNDS.....	\$ 40,741	\$ 44,390	\$ 45,419

^a Not added to the total to avoid double counting: 1999-00 Actual is \$10,711,000, 2000-01 Available is \$10,663,000, and 2001-02 Budget is \$11,255,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
RECREATIONAL FISHING AND BOATING							
GENERAL FUND.....	\$ 10	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11
SPECIAL FUNDS.....	31,645	35,932	36,999	36,690	37,395	38,115	38,848
FEDERAL FUNDS.....	8,566	8,100	8,039	7,482	7,542	7,602	7,662
OTHER FUNDS.....	520	347	370	384	396	398	398
SUBCATEGORY TOTAL.....	\$ 40,741	\$ 44,390	\$ 45,419	\$ 44,567	\$ 45,344	\$ 46,126	\$ 46,919
ALL PROGRAMS:							
GENERAL FUND.....	\$ 10	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11
SPECIAL FUNDS.....	31,645	35,932	36,999	36,690	37,395	38,115	38,848
FEDERAL FUNDS.....	8,566	8,100	8,039	7,482	7,542	7,602	7,662
OTHER FUNDS.....	520	347	370	384	396	398	398
DEPARTMENT TOTAL.....	\$ 40,741	\$ 44,390	\$ 45,419	\$ 44,567	\$ 45,344	\$ 46,126	\$ 46,919

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.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Fishing licenses sold	934,723	993,323	943,637	952,638	961,726	970,902	980,168
Pounds of fish stocked in Commonwealth streams and lakes	3,020,981	2,680,000	3,021,000	3,021,000	3,021,000	3,021,000	3,021,000
Boats registered	356,234	348,000	362,000	365,000	368,000	371,000	374,000
Warnings issued for violations of fishing and boating laws	36,837	42,000	40,000	40,000	40,000	40,000	40,000
Convictions for violations of fishing and boating laws	9,061	11,000	10,000	10,000	10,000	10,000	10,000

Pounds of fish stocked in Commonwealth streams and lakes are dependant on fish mortality in Pennsylvania's hatcheries.

Warnings issued for violations of fishing and boating laws and actual convictions for violations of fishing and boating laws in 1999-00 were less than projected in last year's budget.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

BOAT FUND		FISH FUND	
General Operations		General Operations	
\$	435 —to continue current program.	\$	329 —to continue current programs.
	227 —to begin a waterways conservation officer training class.		340 —to begin a waterways conservation officer training class.
	457 —for projects on marinas and other commission land and buildings.		2,250 —for projects on fish culture stations.
	-235 —nonrecurring information technology items.		595 —for projects on other commission land and buildings.
	-380 —nonrecurring projects on commission land and buildings.		-289 —nonrecurring information technology items.
			-2,662 —nonrecurring projects on commission land and buildings.
\$	504 <i>Appropriation Increase</i>	\$	563 <i>Appropriation Increase</i>

Atlantic States Marine Fisheries Commission appropriation is recommended at the current year funding level.

Fish and Boat Commission

Program: Recreational Fishing and Boating (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Atlantic States Marine Fisheries Commission	\$ 10	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11	\$ 11
BOAT FUND:							
General Operations (EA)	\$ 8,145	\$ 8,590	\$ 9,094	\$ 9,262	\$ 9,433	\$ 9,608	\$ 9,786
FISH FUND:							
General Operations (EA)	\$ 23,500	\$ 27,342	\$ 27,905	\$ 27,428	\$ 27,962	\$ 28,507	\$ 29,062



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)

1999-00 2000-01 2001-02
ACTUAL AVAILABLE BUDGET

GENERAL FUND:

General Government:

Electronic Government Support.....	\$	0	\$	80 ^a	\$	0
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GAME FUND:

General Government:

General Operations(EA).....	\$	46,751	\$	46,471	\$	46,577
(F)Pittman-Robinson Act Reimbursements.....		7,455		7,500		7,500
(F)Endangered Species.....		38		8		8
(F)Surface Mine Regulatory Program.....		33		46		46
(A)Sale of Vehicles.....		214		250		250
(A)Pennsylvania Conservation Corps.....		147		211		215
(A)Donations.....		126		75		75
(A)Youth Shooting Sports.....		3		5		7
(A)Becoming an Outdoors Woman.....		17		15		15
(A)Transportation Reimbursement - Animal Removal.....		92		150		150
(A)Transportation Reimbursement - Elk Lick Project.....		13		0		0
(A)Purchasing Card Rebate.....		8		8		2
(R)Resident License Fee-Natural Propagation of Wildlife.....		2,497		2,700		2,700
(R)Antlerless Deer License-Natural Propagation of Wildlife.....		1,610		2,750		2,900
(R)Resident/Nonresident License Fees-Natl Propagation of Game.....		2,679		4,337		3,300
Subtotal.....	\$	61,683	\$	64,526	\$	63,745

Land Acquisition and Development(EA).....	\$	1,154	\$	2,500	\$	3,000
(A)Land Acquisition Donations.....		100		0		0
Subtotal.....	\$	1,254	\$	2,500	\$	3,000

Subtotal - State Funds.....	\$	47,905	\$	48,971	\$	49,577
Subtotal - Federal Funds.....		7,526		7,554		7,554
Subtotal - Augmentations.....		720		714		714
Subtotal - Restricted Revenues.....		6,786		9,787		8,900

Total - General Government.....	\$	62,937	\$	67,026	\$	66,745
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STATE FUNDS.....	\$	47,905	\$	48,971	\$	49,577
FEDERAL FUNDS.....		7,526		7,554		7,554
AUGMENTATIONS.....		720		714		714
RESTRICTED REVENUES.....		6,786		9,787		8,900

GAME FUND TOTAL.....	\$	62,937	\$	67,026	\$	66,745
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KEYSTONE RECREATION, PARK AND CONSERVATION FUND:

General Government:

Land Acquisition and Development - Bond Proceeds(EA).....	\$	19	\$	33	\$	0
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DEPARTMENT TOTAL - ALL FUNDS

GENERAL FUND.....	\$	0	\$	80	\$	0
SPECIAL FUNDS.....		47,924		49,004		49,577
FEDERAL FUNDS.....		7,526		7,554		7,554
AUGMENTATIONS.....		720		714		714
RESTRICTED.....		6,786		9,787		8,900
TOTAL ALL FUNDS.....	\$	62,956	\$	67,139	\$	66,745

^a Actually appropriated as a part of the Technology Investment Program within the Executive Offices.

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
WILDLIFE MANAGEMENT							
GENERAL FUND.....	\$ 0	\$ 80	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	47,924	49,004	49,577	50,509	51,459	52,428	53,417
FEDERAL FUNDS.....	7,526	7,554	7,554	7,554	7,554	7,554	7,554
OTHER FUNDS.....	7,506	10,501	9,614	9,792	9,973	10,158	10,347
SUBCATEGORY TOTAL.....	\$ 62,956	\$ 67,139	\$ 66,745	\$ 67,855	\$ 68,986	\$ 70,140	\$ 71,318
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 80	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	47,924	49,004	49,577	50,509	51,459	52,428	53,417
FEDERAL FUNDS.....	7,526	7,554	7,554	7,554	7,554	7,554	7,554
OTHER FUNDS.....	7,506	10,501	9,614	9,792	9,973	10,158	10,347
DEPARTMENT TOTAL.....	\$ 62,956	\$ 67,139	\$ 66,745	\$ 67,855	\$ 68,986	\$ 70,140	\$ 71,318

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.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Hunting licenses sold	1,033,315	1,050,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Deer taken	378,592	400,000	400,000	400,000	400,000	400,000	400,000
Arrests for violation of game laws	7,038	8,000	8,000	8,000	8,000	8,000	8,000

Actual arrests for violation of game laws in 1999-00 were less than projected in last year's budget.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>GENERAL FUND</p> <p>Electronic Government Support</p> <p>\$ -80 —nonrecurring information technology equipment.</p> <p>GAME FUND</p> <p>General Operations (EA)</p> <p>\$ 2,762 —to continue current programs, including a wildlife conservation officer training class.</p> <p>1,500 —for vehicle replacements.</p> <p>314 —for other equipment.</p> <p>350 —for information technology equipment.</p> <p>100 —for wildlife management research grant.</p> <p>73 —for increased deterrent fencing grants.</p> <p>-3,311 —nonrecurring equipment purchases.</p> <p>-1,682 —nonrecurring operating expenses.</p> <hr/> <p>\$ 106 <i>Executive Authorization Increase</i></p>	<p>Land Acquisition and Development (EA)</p> <p>\$ 500 —to acquire additional land.</p> <p>Land acquisitions funded by the Keystone Recreation, Park and Conservation Fund will continue until the amount allotted by law is completely committed.</p>
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Program: Wildlife Management (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Electronic Government Support	\$ 0	\$ 80	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
GAME FUND:							
General Operations(EA)	\$ 46,751	\$ 46,471	\$ 46,577	\$ 47,509	\$ 48,459	\$ 49,428	\$ 50,417
Land Acquisition and Development(EA)	1,154	2,500	3,000	3,000	3,000	3,000	3,000
TOTAL GAME FUND	\$ 47,905	\$ 48,971	\$ 49,577	\$ 50,509	\$ 51,459	\$ 52,428	\$ 53,417
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:							
Land Acquisition and Development – Bond Proceeds (EA)	\$ 19	\$ 33	\$ 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)		
	1999-00	2000-01	2001-02
	ACTUAL	AVAILABLE	BUDGET
<u>GENERAL FUND:</u>			
<i>General Government:</i>			
General Government Operations	\$ 59,200	\$ 61,899	\$ 65,361
(A) Federal Surplus Property.....	1,059	1,186	1,350
(A) State Buildings Use.....	1,623	1,929	359
(A) Sound Equipment.....	21	38	38
(A) Employee Liability Self Insurance Program.....	0	69	88
(A) Newsroom Services.....	10	15	15
(A) Computer Services.....	0	100	100
(A) Plans Forefeiture.....	43	57	57
(A) Media Center Reimbursements.....	2,121	2,400	2,400
(A) Recycling Program.....	688	575	575
(A) Services Provided Other Agencies.....	429	0	0
(A) PA Drug Reduction Property Program.....	64	0	0
(A) Purchasing Seminar.....	162	190	240
Information Systems Acquisition	3,600	1,200	1,000
Mail Processing & Legislative Services (06/02)	13,000	0	0
Subtotal.....	<u>\$ 82,020</u>	<u>\$ 69,658</u>	<u>\$ 71,583</u>
Capitol Police Operations	6,719	7,357	7,712
(A) Capitol Police Services.....	40	45	50
Harristown Rental Charges	6,662	6,661	6,667
Utility Costs	11,583	14,649	15,645
Harristown Utility and Municipal Charges	10,109	10,157	10,380
Printing the Pennsylvania Manual	0	197	0
Asbestos Response	450	450	450
Excess Insurance Coverage	1,925	1,783	1,766
Capital Project Leasing	547	505	91
Subtotal - State Funds.....	<u>\$ 113,795</u>	<u>\$ 104,858</u>	<u>\$ 109,072</u>
Subtotal - Augmentations.....	<u>6,260</u>	<u>6,604</u>	<u>5,272</u>
Total - General Government.....	<u>\$ 120,055</u>	<u>\$ 111,462</u>	<u>\$ 114,344</u>
<i>Grants and Subsidies:</i>			
Capitol Fire Protection	\$ 990	\$ 990	\$ 1,020
Transfer to Capital Facilities Fund	90,000	0	0
Total - Grants and Subsidies.....	<u>\$ 90,990</u>	<u>\$ 990</u>	<u>\$ 1,020</u>
STATE FUNDS.....	<u>\$ 204,785</u>	<u>\$ 105,848</u>	<u>\$ 110,092</u>
AUGMENTATIONS.....	<u>6,260</u>	<u>6,604</u>	<u>5,272</u>
GENERAL FUND TOTAL	<u>\$ 211,045</u>	<u>\$ 112,452</u>	<u>\$ 115,364</u>
<u>BANKING DEPARTMENT FUND:</u>			
<i>General Government:</i>			
Harristown Rental Charges	\$ 140	\$ 140	\$ 139
Harristown Utility and Municipal Charges	185	202	201
Total - General Government.....	<u>\$ 325</u>	<u>\$ 342</u>	<u>\$ 340</u>
BANKING DEPARTMENT FUND TOTAL	<u>\$ 325</u>	<u>\$ 342</u>	<u>\$ 340</u>
<u>MOTOR LICENSE FUND:</u>			
<i>General Government:</i>			
Harristown Rental Charges (EA)	\$ 95	\$ 95	\$ 91

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
Harristown Utility and Municipal Charges (EA).....	157	150	149
Total - General Government.....	\$ 252	\$ 245	\$ 240
Grants and Subsidies:			
Tort Claims Payments.....	\$ 20,000	\$ 20,000	\$ 20,000
MOTOR LICENSE FUND TOTAL.....	\$ 20,252	\$ 20,245	\$ 20,240
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 204,785	\$ 105,848	\$ 110,092
SPECIAL FUNDS.....	20,577	20,587	20,580
AUGMENTATIONS.....	6,260	6,604	5,272
TOTAL ALL FUNDS.....	\$ 231,622	\$ 133,039	\$ 135,944

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
FACILITY, PROPERTY AND COMMODITY MANAGEMENT							
GENERAL FUND.....	\$ 204,785	\$ 105,848	\$ 110,092	\$ 112,465	\$ 113,441	\$ 115,886	\$ 117,965
SPECIAL FUNDS.....	20,577	20,587	20,580	20,589	20,600	20,611	20,623
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	6,260	6,604	5,272	5,378	5,486	5,595	5,707
SUBCATEGORY TOTAL.....	\$ 231,622	\$ 133,039	\$ 135,944	\$ 138,432	\$ 139,527	\$ 142,092	\$ 144,295
ALL PROGRAMS:							
GENERAL FUND.....	\$ 204,785	\$ 105,848	\$ 110,092	\$ 112,465	\$ 113,441	\$ 115,886	\$ 117,965
SPECIAL FUNDS.....	20,577	20,587	20,580	20,589	20,600	20,611	20,623
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	6,260	6,604	5,272	5,378	5,486	5,595	5,707
DEPARTMENT TOTAL.....	\$ 231,622	\$ 133,039	\$ 135,944	\$ 138,432	\$ 139,527	\$ 142,092	\$ 144,295

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 Harristown; five regional State office buildings in Pittsburgh, Philadelphia, Scranton, Hazleton 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 10.5 million square feet for 1,350 leases, with annual rental costs exceeding \$110 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 268 Statewide contracts and processes purchase requests for items not covered under Statewide contracts. Transactions represent over \$653 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 4,107 tons of paper, generating \$288,695 in revenue and saving \$205,350 in disposal costs during 2000-01. Collection of other types of recyclable materials generated additional income of \$289,159.

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 1999-00, property originally valued at \$32.4 million was distributed to eligible organizations. Through the Shelter Share Program, the bureau donated \$4 million in clothing, beds, blankets, and medical equipment and supplies to needy citizens. Disposal of unneeded items generated nearly \$4.2 million in revenue in 1999-00.

Program: Facility, Property and Commodity Management (continued)

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Surplus property distributed (in thousands):	\$32,400	\$32,400	\$29,000	\$28,000	\$28,000	\$28,000	\$28,000
Capital facilities projects in design and/or construction	422	426	475	475	475	475	475
Value (in thousands)	\$1,657,000	\$1,504,773	\$2,100,000	\$1,900,000	\$1,900,000	\$1,900,000	\$1,900,000
Tort claims filed	11,166	10,049	11,501	11,306	11,532	11,762	11,998
Tort claims closed (includes settlements, judgements and denials)	8,658	8,918	9,277	9,764	9,657	9,946	10,245
Tort claims pending	9,569	10,700	12,924	14,466	16,341	18,157	19,910
Amount of claims pending (in thousands)	\$267,319	\$253,953	\$260,302	\$265,508	\$272,145	\$278,949	\$285,923

Surplus property distributed increases from the estimate in last year's budget because additional Federal surplus has become available.

Capital facilities projects in design and/or construction and their value decreases in the current year from the projections shown in last year's budget because fewer projects were initiated and more were completed than estimated.

Tort claims filed, closed and pending has changed from the presentation in last year's budget because previous prior year projections anticipated that there would be more claims filed and fewer claims closed in 1999-00.

The amount of claims pending increased from the projections shown in last year's budget because during 1999-00 a significant effort was devoted to updating the litigation cases' potential settlements based on more current information.

Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>General Government Operations</p> <p>\$ 1,308 —for replacement of reduced utilities augmentations.</p> <p>668 —for transfer of operation of Commonwealth Information Center from the Purchasing Fund.</p> <p>350 —for security system maintenance.</p> <p>-1,136 —nonrecurring equipment purchases.</p> <p>656 —to provide digital equipment and technology to improve productivity and enhance Commonwealth Media Services.</p> <p>1,616 —to continue current program.</p> <hr/> <p>\$ 3,462 <i>Appropriation Increase</i></p> <p>Information Systems Acquisition</p> <p>\$ -200 —nonrecurring bar coding system.</p> <p>Capitol Police Operations</p> <p>\$ 478 —to continue current program.</p> <p>-123 —nonrecurring radio and other equipment.</p> <hr/> <p>\$ 355 <i>Appropriation Increase</i></p> <p>Harristown Rental Charges</p> <p>\$ 6 —to provide pro rata share of charges.</p> <p>Utility Costs</p> <p>\$ 441 —for increases in cost of heating fuel.</p> <p>555 —to continue current program.</p> <hr/> <p>\$ 996 <i>Appropriation Increase</i></p>	<p>Harristown Utility and Municipal Charges</p> <p>\$ 223 —to provide pro rata share of charges.</p> <p>Printing the Pennsylvania Manual</p> <p>\$ -197 —nonrecurring biennial printing cost.</p> <p>Excess Insurance Coverage</p> <p>\$ -17 —decrease in insurance premium.</p> <p>Capitol Project Leasing</p> <p>\$ -414 —nonrecurring project.</p> <p>Capitol Fire Protection</p> <p>\$ 30 —increased grant.</p> <p>BANKING DEPARTMENT FUND</p> <p>Harristown Rental Charges</p> <p>\$ -1 —to provide pro rata share of charges.</p> <p>Harristown Utility and Municipal Charges</p> <p>\$ -1 —to provide pro rata share of charges.</p> <p>MOTOR LICENSE FUND</p> <p>Harristown Rental Charges</p> <p>\$ -4 —to provide pro rata share of charges.</p> <p>Harristown Utility and Municipal Charges</p> <p>\$ -1 —to provide pro rata share of charges.</p>
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Asbestos Response is recommended at the current year funding level.

Program: Facility, Property and Commodity Management (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
General Government Operations	\$ 59,200	\$ 61,899	\$ 65,361	\$ 66,668	\$ 68,002	\$ 69,362	\$ 70,749
Information Systems Acquisition	3,600	1,200	1,000	1,020	0	0	0
Mail Processing & Legislative Services (06/02)	13,000	0	0	0	0	0	0
Capitol Police Operations	6,719	7,357	7,712	7,866	8,024	8,184	8,348
Harristown Rental Charges	6,662	6,661	6,667	6,800	6,936	7,075	7,217
Utility Costs	11,583	14,649	15,645	15,958	16,277	16,603	16,935
Harristown Utility and Municipal Charges ..	10,109	10,157	10,380	10,588	10,800	11,016	11,236
Printing the Pennsylvania Manual	0	197	0	201	0	205	0
Asbestos Response	450	450	450	450	450	450	450
Excess Insurance Coverage	1,925	1,783	1,766	1,801	1,837	1,874	1,911
Capital Project Leasing	547	505	91	93	95	97	99
Capitol Fire Protection	990	990	1,020	1,020	1,020	1,020	1,020
Transfer to Capital Facilities Fund	90,000	0	0	0	0	0	0
TOTAL GENERAL FUND	\$ 204,785	\$ 105,848	\$ 110,092	\$ 112,465	\$ 113,441	\$ 115,886	\$ 117,965
BANKING DEPARTMENT FUND:							
Harristown Rental Charges	\$ 140	\$ 140	\$ 139	\$ 139	\$ 139	\$ 139	\$ 139
Harristown Utility and Municipal Charges ..	185	202	201	207	213	219	226
TOTAL BANKING DEPARTMENT FUND	\$ 325	\$ 342	\$ 340	\$ 346	\$ 352	\$ 358	\$ 365
MOTOR LICENSE FUND:							
Harristown Rental Charges (EA)	\$ 95	\$ 95	\$ 91	\$ 90	\$ 90	\$ 90	\$ 90
Harristown Utility and Municipal Charges (EA)	157	150	149	153	158	163	168
Tort Claims Payments	20,000	20,000	20,000	20,000	20,000	20,000	20,000
TOTAL MOTOR LICENSE FUND	\$ 20,252	\$ 20,245	\$ 20,240	\$ 20,243	\$ 20,248	\$ 20,253	\$ 20,258



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)		
	1999-00	2000-01	2001-02
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
General Government:			
General Government Operations.....	\$ 24,250	\$ 28,138^a	\$ 29,650
(F)WIC Administration and Operation.....	9,404	9,904	10,165
(F)Health Assessment.....	423	503	503
(F)PHHSBG - Administration and Operation.....	4,300	4,181	3,419
(F)SABG - Administration and Operation.....	4,513	5,254	5,374
(F)MCHSBG - Administration and Operation.....	12,899	13,520	15,585
(F)Center for Disease Control Conferences.....	3	63	63
(F)Pediatric Prehospital Emergency Care.....	259	384	338
(F)TB - Administration and Operation.....	602	723	833
(F)Lead - Administration and Operation.....	989	1,146	1,367
(F)AIDS Health Education - Administration and Operation.....	1,788	2,009	2,009
(F)Community Migrant Health.....	180	400	337
(F)Tobacco Control.....	1,177	1,700	1,500
(F)Breast and Cervical Cancer - Administration and Operation.....	620	1,199 ^b	1,729
(F)HIV / AIDS Surveillance.....	501	1,170	1,170
(F)HIV Care - Administration and Operation.....	272	839	839
(F)Tobacco Regulation Enforcement.....	178	0 ^c	0
(F)Smoke Alarm Intervention Program.....	201	200	200
(F)Crash Outcomes Data Evaluation.....	0	100	120
(F)Emergency Medical Services System Assessment (EA).....	0	20	0
(F)Data Network - CODES (EA).....	0	25	0
(A)Data Center Services.....	2,056	200	81
(A)Departmental Services.....	0	20	20
(A)Robert Wood Johnson Foundation Grant.....	65	0	0
(A)State and Territorial Epidemiologists.....	0	68	0
Subtotal.....	<u>\$ 64,680</u>	<u>\$ 71,766</u>	<u>\$ 75,302</u>
Organ Donation.....	120	120	120
Diabetes Programs.....	461	461	461
(F)Diabetes Control.....	322	541	443
Subtotal.....	<u>\$ 783</u>	<u>\$ 1,002</u>	<u>\$ 904</u>
Quality Assurance.....	9,098	12,878	15,130
(F)Medicare - Health Service Agency Certification.....	7,002	7,392	8,108
(F)Medicaid Certification.....	6,058	6,200 ^d	7,200
(A)Publication Fees.....	7	10	10
Subtotal.....	<u>\$ 22,165</u>	<u>\$ 26,480</u>	<u>\$ 30,448</u>
Vital Statistics.....	5,846	5,978	9,522
(F)Cooperative Health Statistics.....	801	1,145	1,229
(F)Health Statistics.....	585	831	831
(F)Traumatic Brain Injury.....	0	75 ^e	169
(A)Reimbursement for Microfilming.....	79	50	78
(A)Vital-Chek Surcharge.....	190	190	0
Subtotal.....	<u>\$ 7,501</u>	<u>\$ 8,269</u>	<u>\$ 11,829</u>
State Laboratory.....	3,969	4,129	4,256
(F)Clinical Laboratory Improvement.....	755	895	895
(F)Epidemiology and Laboratory Surveillance and Response.....	49	639 ^f	1,500
(F)Bio-Terrorism Preparedness.....	128	192 ^g	2,000
(A)Blood Lead Testing.....	13	16	13
(A)Blood Lead Specimen Testing.....	9	19	9
(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.....	119	128	119
(A)Licensure for Clinical Laboratories.....	306	304	306

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
(A)Low Volume Proficiency Testing.....	69	67	69
(A)Training Course Fees.....	2	10	2
(A)CD4 Testing.....	48	45	0
(A)DUI Testing.....	0	10	10
(A)Orasure Testing.....	40	0	0
(A)Urine Drug Testing.....	0	1,177	0
Subtotal.....	\$ 5,579	\$ 7,703	\$ 9,251
State Health Care Centers.....	16,965	18,335	20,883
(F)Disease Control Immunization.....	6,523	6,700 ^h	7,500
(F)PHHSBG - Block Program Services.....	4,934	4,983	4,679
(F)Preventive Health Special Projects.....	0	0	1,000
Subtotal.....	\$ 28,422	\$ 30,018	\$ 34,062
Coal Workers' Respiratory Diseases.....	200	200	200
(F)Black Lung Clinic.....	350	650	600
Subtotal.....	\$ 550	\$ 850	\$ 800
Sexually Transmitted Disease Screening and Treatment.....	1,177	1,177	2,011
(F)Survey and Follow-Up - Sexually Transmitted Diseases.....	2,530	3,375	3,375
Subtotal.....	\$ 3,707	\$ 4,552	\$ 5,386
Subtotal - State Funds.....	\$ 62,086	\$ 71,416	\$ 82,233
Subtotal - Federal Funds.....	68,346	76,958	85,080
Subtotal - Augmentations.....	3,075	2,386	789
Total - General Government.....	\$ 133,507	\$ 150,760	\$ 168,102
Grants and Subsidies:			
Newborn Screening.....	\$ 0	\$ 4,000	\$ 4,000
Primary Health Care Practitioner.....	3,011	4,598	5,060
(F)Loan Repayment Program.....	223	380	380
(F)Rural Hospital Flexibility Program.....	0	775	700
Subtotal.....	\$ 3,234	\$ 5,753	\$ 6,140
Cancer Programs.....	3,595	3,595	3,595
(F)Breast and Cervical Cancer Program.....	2,108	2,392	3,041
Subtotal.....	\$ 5,703	\$ 5,987	\$ 6,636
AIDS Programs.....	6,528	6,528	7,159
(F)AIDS Health Education.....	3,106	3,387	3,387
(F)HIV Care.....	8,212	8,943	10,823
(F)Housing Opportunities for People with AIDS.....	1,179	1,500	1,500
(F)HIV / AIDS Demonstration Projects.....	0	1,487	0
Subtotal.....	\$ 19,025	\$ 21,845	\$ 22,869
Regional Cancer Institutes.....	2,000	2,000	1,550
School District Health Services.....	40,464	40,464	38,964
Local Health Departments.....	26,487	26,147	27,171
Local Health - Environmental.....	7,305	7,305	7,262
Maternal and Child Health.....	3,905	3,905	3,905
(F)MCH Lead Poisoning Prevention and Abatement.....	4,391	3,681	3,579
(F)MCHSBG - Program Services.....	14,977	15,302	15,395
(F)Women, Infants and Children (WIC).....	126,889	155,848	142,715
(F)Abstinence Education.....	3,146	3,640	3,640
(F)TANFBG - Abstinence Education.....	0	0	500
(F)Environmental Assessment - Child Lead Poisoning.....	202	389	213
(F)MCH - State Systems Development.....	71	175	900
(F)Screening Newborns.....	116	97	121
(F)Newborn Hearing Screening & Intervention.....	0	200 ⁱ	250

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
(F)Medicaid Outreach (EA).....	1,513	1,523	361
(F)Children's Health Insurance Program (CHIP)(EA).....	2,441	3,120	636
(F)Child Abuse Prevention (EA).....	176	266	0
(A)Environmental Assessments.....	(20)	0	0
(A)Departmental Services.....	1,128	223	223
Subtotal.....	\$ 158,935	\$ 188,369	\$ 172,438
DES Education.....	0	250	0
Assistance to Drug and Alcohol Programs.....	38,173	39,589	40,728
(F)SABG - Drug and Alcohol Services.....	50,894	53,534	52,852
(F)Substance Abuse Special Project Grants.....	251	355	409
(F)DFSC - Special Programs for Student Assistance (EA).....	1,123	1,125	1,125
(F)DCSI - Adult Offender Treatment (EA).....	265	930	735
(A)State Stores Fund Transfer.....	1,485	1,656	1,804
(A)Intergovernmental Transfer.....	0	2,100	525
Subtotal.....	\$ 92,191	\$ 99,289	\$ 98,178
Tuberculosis Screening and Treatment.....	1,009	1,009	1,009
(F)Tuberculosis Control Program.....	163	220	165
Subtotal.....	\$ 1,172	\$ 1,229	\$ 1,174
Renal Dialysis.....	8,255	8,255	8,255
Services for Children with Special Needs.....	1,732	1,732	1,732
Adult Cystic Fibrosis.....	721	721	721
Cooley's Anemia.....	198	198	198
Hemophilia.....	1,594	1,594	1,672
Sickle Cell.....	1,503	1,503	1,703
Hepatitis Screening and Prevention.....	300	300	300
Regional Poison Control Centers.....	1,750	1,750	1,250
Trauma Programs Coordination.....	275	300	300
Trauma Systems.....	200	350	0
Epilepsy Support Services.....	450	450	0
Keystone State Games.....	220	220	220
Bio-Technology Research.....	3,750	4,750	0
Tourette Syndrome.....	100	100	0
Emergency Care Research.....	200	1,300	0
Newborn Hearing Screening Demonstration.....	550	750	750
Osteoporosis Prevention and Education.....	0	100	100
Fox Chase Institute for Cancer Research.....	860	860	860
The Wistar Institute - Research: Operation and Maintenance.....	237	237	237
The Wistar Institute - Research: AIDS Research.....	102	102	102
Central Penn Oncology Group.....	143	143	143
Cardiovascular Studies - University of Pennsylvania.....	132	0	0
Cardiovascular Studies - St. Francis Hospital.....	132	132	132
Lancaster - Cleft Palate Clinic.....	56	56	56
Pittsburgh - Cleft Palate Clinic.....	56	56	56
Tay Sachs Disease - Jefferson Medical College.....	56	56	56
Burn Foundation.....	462	462	462
The Children's Institute, Pittsburgh.....	870	970	870
Children's Hospital of Philadelphia.....	500	500	500
MCP Hahnemann University-Pediatric Outpatient and Inpatient.....	791	791	791
MCP Hahnemann University-Med-Handicapped Children's Clinic.....	166	166	166
Subtotal - State Funds.....	\$ 158,838	\$ 168,294	\$ 162,035
Subtotal - Federal Funds.....	221,446	259,269	243,427
Subtotal - Augmentations.....	2,593	3,979	2,552
Total - Grants and Subsidies.....	\$ 382,877	\$ 431,542	\$ 408,014

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

1999-00 ACTUAL 2000-01 AVAILABLE 2001-02 BUDGET

TOBACCO SETTLEMENT FUND:

Grants and Subsidies:

Health Research.....	\$ 0	\$ 22,756 ^j	\$ 33,902
Tobacco Use Prevention.....	0	22,756 ^k	33,902
Tobacco Use Cessation.....	0	11,377 ^l	16,952
Total - Grants and Subsidies.....	\$ 0	\$ 56,889	\$ 84,756
TOBACCO SETTLEMENT FUND TOTAL.....	\$ 0	\$ 56,889	\$ 84,756

OTHER FUNDS:

EMERGENCY MEDICAL SERVICES OPERATING FUND:

Emergency Medical Services.....	\$ 9,200	\$ 9,275	\$ 9,913
Catastrophic Medical and Rehabilitation.....	2,751	3,000	3,000
EMERGENCY MEDICAL SERVICES OPERATING FUND TOTAL.....	\$ 11,951	\$ 12,275	\$ 12,913

GOV. CASEY ORGAN & TISSUE DONATION AWARENESS FUND:

Implementation Costs (EA).....	\$ 5	\$ 5	\$ 5
Hospital and Other Medical Costs (EA).....	0	101	84
Grants to Certified Procurement Organizations (EA).....	462	207	259
Project Make-A-Choice (EA).....	130	62	99
GOV. CASEY ORGAN & TISSUE DONATION AWARENESS FUND TOTAL.....	\$ 597	\$ 375	\$ 447

DEPARTMENT TOTAL - ALL FUNDS

GENERAL FUND.....	\$ 220,924	\$ 239,710	\$ 244,268
SPECIAL FUNDS.....	0	56,889	84,756
FEDERAL FUNDS.....	289,792	336,227	328,507
AUGMENTATIONS.....	5,668	6,365	3,341
OTHER FUNDS.....	12,548	12,650	13,360
TOTAL ALL FUNDS.....	\$ 528,932	\$ 651,841	\$ 674,232

- ^a Includes \$217,000 actually appropriated as a part of the Technology Investment Program in the Executive Offices.
- ^b Includes recommended supplemental appropriation of \$349,000.
- ^c Actually appropriated as \$400,000. Amount shown is the best current estimate for the amount available for 2000-01. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.
- ^d Actually appropriated as \$7,200,000. Amount shown is the best current estimate for the amount available for 2000-01. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.
- ^e Includes recommended supplemental appropriation of \$75,000.
- ^f Includes recommended supplemental appropriation of \$139,000.
- ^g Actually appropriated as \$2,000,000. Amount shown is the best current estimate for the amount available for 2000-01. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.
- ^h Actually appropriated as \$7,500,000. Amount shown is the best current estimate for the amount available for 2000-01. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.
- ⁱ Includes recommended supplemental appropriation of \$200,000.
- ^j Includes recommended supplemental appropriation of \$22,756,000.
- ^k Includes recommended supplemental appropriation of \$22,756,000.
- ^l Includes recommended supplemental appropriation of \$11,377,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
HEALTH SUPPORT SERVICES							
GENERAL FUND.....	\$ 37,317	\$ 45,145	\$ 49,036	\$ 51,306	\$ 52,103	\$ 53,004	\$ 54,040
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	52,301	58,658	65,254	65,254	65,254	65,254	65,254
OTHER FUNDS.....	2,806	2,146	711	723	735	747	760
SUBCATEGORY TOTAL.....	\$ 92,424	\$ 105,949	\$ 115,001	\$ 117,283	\$ 118,092	\$ 119,005	\$ 120,054
HEALTH RESEARCH							
GENERAL FUND.....	\$ 13,863	\$ 15,963	\$ 13,007	\$ 9,933	\$ 10,062	\$ 10,194	\$ 10,328
SPECIAL FUNDS.....	0	22,756	33,902	42,506	42,926	37,715	38,278
FEDERAL FUNDS.....	1,708	2,592	2,672	2,672	2,672	2,672	2,672
OTHER FUNDS.....	269	240	78	80	82	84	86
SUBCATEGORY TOTAL.....	\$ 15,840	\$ 41,551	\$ 49,659	\$ 55,191	\$ 55,742	\$ 50,665	\$ 51,364
PREVENTIVE HEALTH							
GENERAL FUND.....	\$ 112,022	\$ 119,189	\$ 122,445	\$ 123,055	\$ 123,473	\$ 123,299	\$ 123,733
SPECIAL FUNDS.....	0	34,133	50,854	63,757	64,388	56,573	57,418
FEDERAL FUNDS.....	182,900	218,383	204,860	204,860	204,860	204,860	204,860
OTHER FUNDS.....	1,108	223	223	223	223	223	223
SUBCATEGORY TOTAL.....	\$ 296,030	\$ 371,928	\$ 378,382	\$ 391,895	\$ 392,944	\$ 384,955	\$ 386,234
HEALTH TREATMENT SERVICES							
GENERAL FUND.....	\$ 19,549	\$ 19,824	\$ 19,052	\$ 19,252	\$ 19,252	\$ 19,252	\$ 19,252
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	350	650	600	600	600	600	600
OTHER FUNDS.....	12,548	12,650	13,360	12,724	12,726	12,728	12,730
SUBCATEGORY TOTAL.....	\$ 32,447	\$ 33,124	\$ 33,012	\$ 32,576	\$ 32,578	\$ 32,580	\$ 32,582
DRUG AND ALCOHOL ABUSE PREVENTION AND TREATMENT							
GENERAL FUND.....	\$ 38,173	\$ 39,589	\$ 40,728	\$ 40,228	\$ 40,228	\$ 40,228	\$ 40,228
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	52,533	55,944	55,121	55,121	55,121	55,121	55,121
OTHER FUNDS.....	1,485	3,756	2,329	2,329	2,329	2,329	2,329
SUBCATEGORY TOTAL.....	\$ 92,191	\$ 99,289	\$ 98,178	\$ 97,678	\$ 97,678	\$ 97,678	\$ 97,678
ALL PROGRAMS:							
GENERAL FUND.....	\$ 220,924	\$ 239,710	\$ 244,268	\$ 243,774	\$ 245,118	\$ 245,977	\$ 247,581
SPECIAL FUNDS.....	0	56,889	84,756	106,263	107,314	94,288	95,696
FEDERAL FUNDS.....	289,792	336,227	328,507	328,507	328,507	328,507	328,507
OTHER FUNDS.....	18,216	19,015	16,701	16,079	16,095	16,111	16,128
DEPARTMENT TOTAL.....	\$ 528,932	\$ 651,841	\$ 674,232	\$ 694,623	\$ 697,034	\$ 684,883	\$ 687,912

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 responds to 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 including the isolation of West Nile Virus (WNV) from mosquitoes and birds, and the provision for diagnosis of arbovirus infection (including WNV), in humans. The State Laboratory is the designated primary laboratory for the detection and identification of bioterrorism agents. It establishes and monitors the

Program: Health Support Services (continued)

performance standards for 7,100 clinical and physician office laboratories in the Commonwealth and recommends

certification of clinical laboratories under the requirements of the Federal Clinical Laboratory Improvement Amendments.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Health care facilities in Pennsylvania with required surveys completed:							
Hospitals (biennially)	100%	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%

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>General Government Operations</p> <p>\$ -794 —completion of managed care consumer information project.</p> <p>-755 —software and maintenance savings from consolidated data center enhancements.</p> <p>85 —Initiative — Integrated Data Surveillance Improvements. To improve the utilization of statistical and epidemiological data to better manage family health, chronic disease and injury prevention programs.</p> <p>96 —continuation of West Nile Virus Control project.</p> <p>357 —Initiative — Enhanced Information Technology Systems Support. To provide administrative support to address the increased utilization of information technology.</p> <p>215 —Commonwealth Telecommunications Service project.</p> <p>303 —continuation of the State Health Improvement Planning project.</p> <p>493 —continuation of the Strengthening Information Technology Systems project.</p> <p>1,512 —to continue current program.</p> <hr/> <p>\$ 1,512 <i>Appropriation Increase</i></p>	<p>Quality Assurance</p> <p>\$ 101 —continuation of long-term care quality assurance improvement project.</p> <p>405 —to continue Nurse Aide Registry enhancements.</p> <p>114 —Initiative — Medical Errors Study. To examine the multi-faceted and complex issues related to medical errors and other adverse medical events.</p> <p>803 —to continue current program.</p> <p>829 —Initiative — Hospital Quality Assurance Improvements. To improve the timeliness of hospital licensure and certification surveys, enhance the monitoring of hospital corrective action plans and improve the investigation of hospital incidents and complaints by facilities and consumers.</p> <hr/> <p>\$ 2,252 <i>Appropriation Increase</i></p> <p>State Laboratory</p> <p>\$ 121 —to continue current program.</p> <p>6 —continuation of West Nile Virus Control project.</p> <hr/> <p>\$ 127 <i>Appropriation Increase</i></p>
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Includes PRIME recommendation to develop a system which will streamline the process for registration and licensing of hearing aid fitters.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
General Government Operations	\$ 24,250	\$ 28,138	\$ 29,650	\$ 30,291	\$ 30,794	\$ 31,410	\$ 32,039
Quality Assurance	9,098	12,878	15,130	16,674	16,881	17,077	17,394
State Laboratory	3,969	4,129	4,256	4,341	4,428	4,517	4,607
TOTAL GENERAL FUND	\$ 37,317	\$ 45,145	\$ 49,036	\$ 51,306	\$ 52,103	\$ 53,004	\$ 54,040

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 biomedical research services to Commonwealth citizens.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Vital events (births, deaths, fetal deaths, marriages and divorces):							
Registered and processed	397,495	397,200	396,675	396,150	395,650	394,600	394,100
Percent registered and processed within 30 days	80%	85%	86%	87%	88%	89%	90%
Applications for certified copies of birth and death records filled	620,240	624,000	628,000	632,000	636,000	640,000	644,000

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>GENERAL FUND:</p> <p>Vital Statistics</p> <p>\$ 344 —to continue current program.</p> <p>3,200 —to re-design and implement a new Vital Statistics processing system.</p> <hr/> <p>\$ 3,544 <i>Appropriation Increase</i></p> <p>Regional Cancer Institutes</p> <p>\$ -450 —nonrecurring project.</p> <p>Bio-Technology Research</p> <p>\$ -4,750 —nonrecurring project.</p>	<p>Emergency Care Research</p> <p>\$ -1,300 —nonrecurring project.</p> <p>TOBACCO SETTLEMENT FUND:</p> <p>Health Research</p> <p>\$ 11,146 —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>
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All other appropriations are recommended at the current year funding level.

Program: Health Research (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Diabetes Programs	\$ 461	\$ 461	\$ 461	\$ 461	\$ 461	\$ 461	\$ 461
Vital Statistics	5,846	5,978	9,522	6,448	6,577	6,709	6,843
Regional Cancer Institutes	2,000	2,000	1,550	1,550	1,550	1,550	1,550
Bio-Technology Research	3,750	4,750	0	0	0	0	0
Emergency Care Research	200	1,300	0	0	0	0	0
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	0	0	0	0	0	0
Cardiovascular Studies - St. Francis Hospital	132	132	132	132	132	132	132
TOTAL GENERAL FUND	\$ 13,863	\$ 15,963	\$ 13,007	\$ 9,933	\$ 10,062	\$ 10,194	\$ 10,328
TOBACCO SETTLEMENT FUND:							
Health Research	\$ 0	\$ 22,756	\$ 33,902	\$ 42,506	\$ 42,926	\$ 37,715	\$ 38,278

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 matching funds to establish medical and dental clinics, awards to medical schools to increase the supply of general practitioners, student intern programs to provide clinic services, educational loan repayment and visa waivers for professionals practicing in designated shortage areas, and support for the stabilization of small rural hospitals. Additionally, the State Health Improvement Program (SHIP) emphasizes disease prevention and health improvement, as it gives a greater voice to communities by working with organized local health improvement partnerships and by improving community access to data and information.

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, Maple Syrup Urine Disease (MSUD), Congenital Adrenal Hyperplasia (CAH), and Galactosemia. 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

Program: Preventive Health: (continued)

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 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, measles/mumps/rubella and varicella immunizations for school 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 and pneumococcal immunizations to providing information to volunteer fire companies, school districts, ambulance corps, correction officials, State Police and other organizations to purchase hepatitis B vaccine, 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

Program: Preventive Health: (continued)

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, county/municipal health departments, and other providers. The educational program includes on-site training of diverse groups, both print and electronic public information service, and community intervention projects. Confidential HIV testing and partner 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 with tuberculosis disease and infection. Key to preventing the spread of the disease is contact examination and treatment of latent tuberculosis infection in close contacts of infectious cases or other high-risk people.

The Oral Health Program 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:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Women and children's programs:							
Percent low birth weight live births	7.6%	7.6%	7.7%	7.7%	7.7%	7.7%	7.8%
Average number of persons participating in women, infants and children (WIC) programs each month	232,584	250,000	250,000	250,000	250,000	250,000	250,000
Other communicable disease programs:							
HIV tests at publicly-funded sites	44,490	45,000	45,500	46,000	46,500	47,000	47,500
Percentage of persons screened found with gonorrhea	1.2%	1.3%	1.3%	1.2%	1.1%	1.1%	1.1%
Communicable disease incidences reported:							
Gonorrhea	13,245	14,000	14,000	13,000	13,000	12,500	12,500
Infectious Syphilis	85	85	80	80	75	75	75
AIDS	1,238	480	432	389	350	315	283
Primary care physicians receiving loan repayment forgiveness	79	95	95	95	95	95	95
Cancer abstracts received	102,000	102,000	102,000	102,000	102,000	102,000	102,000

Persons screened found with gonorrhea and the reported gonorrhea cases both increased from those shown in last year's budget due to higher incidence of the disease and 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 and increased Federal efforts.

Reported AIDS cases decreased from the amounts listed in last year's budget due to the continuation of relatively new treatments which restrain HIV diagnoses from becoming full AIDS cases.

Primary care physicians receiving loans decreased from those shown in last year's budget due to physician's re-locating to areas not qualified for the program. Some participants are also opting for an early, three-year completion with reduced reimbursement rather than four.

Program: Preventive Health: (continued)

Program Recommendations:

	GENERAL FUND:		
	State Health Care Centers	\$	-1,500
\$ 2,148	—to continue current program.		
100	—Initiative — Statewide Patient Reporting Database Development. To assess the automation needs of patient information data at the state health care centers and district offices.	\$	1,024
300	—Initiative — State Health Improvement Planning Expansion. To address health disparities impacting racial and ethnic minority groups through public/private partnerships.	\$	-43
\$ 2,548	<i>Appropriation Increase</i>	\$	-250
	Sexually Transmitted Disease Screening and Treatment	\$	-450
\$ 834	—Initiative — Enhanced Sexually Transmitted Disease Testing. To implement improved testing procedures to better identify and more appropriately treat sexually transmitted diseases.		
	Primary Health Care Practitioner	\$	11,146
\$ 312	—to increase access to dental services.		
150	—Initiative — Dental Services Program. To provide the administrative infrastructure necessary to obtain dental care for medically compromised low-income individuals.	\$	5,575
\$ 462	<i>Appropriation Increase</i>		
	AIDS Programs		
\$ 131	—to provide a two percent cost-of-living adjustment.		
500	—Initiative — Enhanced HIV Services. To provide counseling and referral services for HIV-infected individuals and their partners.		
\$ 631	<i>Appropriation Increase</i>		
			School District Health Services
			—decrease based on estimated enrollment requirements.
			Local Health Departments
			—increased costs based on current population and local budget projections.
			Local Health-Environmental
			—reduced costs based on current population projections.
			DES Education
			—nonrecurring project.
			Epilepsy Support Services
			—nonrecurring project.
			TOBACCO SETTLEMENT FUND:
			Tobacco Use Prevention
			—to expand the program to prevent tobacco use.
			Tobacco Use Cessation
			—to expand the program to encourage cessation of tobacco use.

All other appropriations are recommended at the current year funding levels.

This budget also recommends \$500,000 in Federal funds to expand community-based abstinence education programs.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
GENERAL FUND:							
State Health Care Centers	\$ 16,965	\$ 18,335	\$ 20,883	\$ 21,493	\$ 21,911	\$ 21,737	\$ 22,171
Sexually Transmitted Disease Screening and Treatment	1,177	1,177	2,011	2,011	2,011	2,011	2,011
Newborn Screening	0	4,000	4,000	4,000	4,000	4,000	4,000
Primary Health Care Practitioner	3,011	4,598	5,060	5,060	5,060	5,060	5,060
Cancer Programs	3,595	3,595	3,595	3,595	3,595	3,595	3,595

Program: Preventive Health: (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND (continued):							
AIDS Programs	\$ 6,528	\$ 6,528	\$ 7,159	\$ 7,159	\$ 7,159	\$ 7,159	\$ 7,159
School District Health Services	40,464	40,464	38,964	38,964	38,964	38,964	38,964
Local Health Departments	26,487	26,147	27,171	27,171	27,171	27,171	27,171
Local Health - Environmental	7,305	7,305	7,262	7,262	7,262	7,262	7,262
Maternal and Child Health	3,905	3,905	3,905	3,905	3,905	3,905	3,905
DES Education	0	250	0	0	0	0	0
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	0	0	0	0	0
Keystone State Games	220	220	220	220	220	220	220
Newborn Hearing Screening Demonstration	550	750	750	750	750	750	750
Osteoporosis Prevention and Education	0	100	100	100	100	100	100
Tay Sachs Disease - Jefferson Medical College	56	56	56	56	56	56	56
TOTAL GENERAL FUND	\$ 112,022	\$ 119,189	\$ 122,445	\$ 123,055	\$ 123,473	\$ 123,299	\$ 123,733
TOBACCO SETTLEMENT FUND:							
Tobacco Use Prevention	\$ 0	\$ 22,756	\$ 33,902	\$ 42,506	\$ 42,926	\$ 37,715	\$ 38,278
Tobacco Use Cessation	0	11,377	16,952	21,251	21,462	18,858	19,140
TOTAL TOBACCO SETTLEMENT FUND	\$ 0	\$ 34,133	\$ 50,854	\$ 63,757	\$ 64,388	\$ 56,573	\$ 57,418

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 Programs facilitates the coordination of care for special needs children through its Special Kids Network (SKN). SKN provides families and health care providers with information about 9,000 local, regional, and Statewide resources that serve these children. The network is coordinated by one Statewide contractor and implemented by six regional contractors located in the department's six health districts. A family consultant is located in each of Pennsylvania's four tertiary children's hospitals to assist and advocate for families as they access services. This consultant links families to the SKN 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 care coordination, 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 disease (SCD) is a genetically determined red blood cell disorder which occurs most frequently in the African-American population. Comprehensive medical and psychosocial services are available to patients at 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 active and retired 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. It coordinates bioterrorism communications within the department and provides emergency preparedness and response liaison with the

Pennsylvania Emergency Management Agency (PEMA).

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:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
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	654	645	660	670	680	690	700
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 Disease	1,760	1,800	1,800	1,800	1,800	1,800	1,800
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	1,841	2,000	2,200	2,300	2,400	2,500	2,600
Children's rehabilitative services	3,200	3,300	3,350	3,400	3,400	3,400	3,400

Persons receiving outpatient treatment through the department for chronic respiratory disease decreases from last year's budget in conjunction with fluctuations within the client population.

Program Recommendations:

\$ 78	Hemophilia —increased blood product support.	\$ -350	Trauma Systems —nonrecurring project.
\$ 200	Sickle Cell —Initiative — Enhanced Sickle Cell Support Services. To expand and enhance community-based educational and support services.	\$ -100	Tourette Syndrome —nonrecurring project.
\$ -500	Regional Poison Control Centers —nonrecurring project.	\$ -100	The Children's Institute, Pittsburgh —nonrecurring project.

All other appropriations are recommended at the current year funding levels.



Includes accomplishment of the PRIME recommendation to design, in cooperation with the Department of Aging, a method to allow for more effective administration of Renal Program pharmaceutical payments. The change will reduce processing time for payments from up to 90 to 14 days and result in savings of \$1.9 million.

Program: Health Treatment Services (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Organ Donation	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120
Coal Workers' Respiratory Diseases	200	200	200	200	200	200	200
Renal Dialysis	8,255	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	721	721	721	721	721	721	721
Cooley's Anemia	198	198	198	198	198	198	198
Hemophilia	1,594	1,594	1,672	1,672	1,672	1,672	1,672
Sickle Cell	1,503	1,503	1,703	1,903	1,903	1,903	1,903
Regional Poison Control Centers	1,750	1,750	1,250	1,250	1,250	1,250	1,250
Trauma Programs Coordination	275	300	300	300	300	300	300
Trauma Systems	200	350	0	0	0	0	0
Tourette Syndrome	100	100	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	870	970	870	870	870	870	870
Children's Hospital of Philadelphia	500	500	500	500	500	500	500
MCP Hahnemann University-Pediatric Outpatient and Inpatient	791	791	791	791	791	791	791
MCP Hahnemann University-Med- Handicapped Children's Clinic	166	166	166	166	166	166	166
TOTAL GENERAL FUND	\$ 19,549	\$ 19,824	\$ 19,052	\$ 19,252	\$ 19,252	\$ 19,252	\$ 19,252

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.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Prevention Services:							
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	15,556	15,700	15,868	16,026	16,186	16,347	16,510
Treatment Services:							
Residential programs licensed/approved	341	341	341	341	341	341	341
Outpatient programs licensed/approved	757	757	757	757	757	757	757
Patients enrolled in treatment:							
Male	44,456	44,900	45,349	45,802	46,260	46,722	47,189
Female	18,907	19,096	19,286	19,478	19,672	19,868	20,066
Admissions with primary diagnosis:							
Drug abuse	33,008	33,338	33,671	34,007	34,347	34,690	35,036
Alcohol abuse	30,355	30,658	30,964	31,273	31,585	31,900	32,219
Percent of admissions completing treatment	47%	48%	49%	50%	51%	52%	53%

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)

		Assistance to Drug and Alcohol Programs
\$	-300	—nonrecurring project.
	166	—to match Federal funds for a Drug Control and System Improvement (DCSI) project.
	500	—Initiative — Tobacco Law Enforcement. To implement enforcement and prevention activities to reduce youth access to tobacco.
	773	—to provide a two percent cost-of-living adjustment.
<hr/>		
\$	1,139	<i>Appropriation Increase</i>

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Assistance to Drug and Alcohol Programs	\$ 38,173	\$ 39,589	\$ 40,728	\$ 40,228	\$ 40,228	\$ 40,228	\$ 40,228



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.

Higher Education Assistance Agency

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00	2000-01	2001-02
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
<i>Grants and Subsidies:</i>			
Grants to Students.....	\$ 285,547	\$ 314,102	\$ 336,089
(F) Byrd Scholarships (EA).....	0	1,656	1,656
(F)TANFBG-Education Opportunities.....	0	1,500	1,500
Matching Payments for Student Aid Funds.....	9,972	11,197	12,827
Institutional Assistance Grants.....	39,077	41,349	42,589
Horace Mann Bond-Leslie Pinckney Hill Scholarship.....	750	750	750
Agricultural Loan Forgiveness.....	177	238	284
Child Care Loan Forgiveness.....	0	100	0
SciTech and Technology Scholarships.....	16,534^a	16,534^a	8,200
SciTech and Technology Scholarships - Administration.....	661^b	661^b	661
Cheyney University Keystone Academy.....	500	1,050	1,575
Subtotal - State Funds.....	\$ 353,218	\$ 385,981	\$ 402,975
Subtotal - Federal Funds.....	0	3,156	3,156
Total - Grants and Subsidies.....	\$ 353,218	\$ 389,137	\$ 406,131
STATE FUNDS.....	\$ 353,218	\$ 385,981	\$ 402,975
FEDERAL FUNDS.....	0	3,156	3,156
GENERAL FUND TOTAL.....	\$ 353,218	\$ 389,137	\$ 406,131
OTHER FUNDS:			
HIGHER EDUCATION ASSISTANCE FUND:			
Guaranteed Agency Operating Fund.....	\$ 43,736	\$ 63,369	\$ 72,757
Contract Servicing.....	113,767	117,180	120,695
Robert Byrd Scholarships.....	1,666	1,664	1,664
State Student Incentive Grant.....	1,100	1,615	1,000
Transfers Augmenting Appropriations.....	2,707	3,122	3,113
Primary Health Care.....	988	1,085	1,192
Administration Augmentations.....	5,605	5,775	5,950
Miscellaneous.....	45	391	391
Christa McAuliffe Scholarship.....	41	41	41
National Guard.....	55	55	55
HIGHER EDUCATION ASSISTANCE FUND TOTAL.....	\$ 169,710	\$ 194,297	\$ 206,858
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 353,218	\$ 385,981	\$ 402,975
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	0	3,156	3,156
OTHER FUNDS.....	169,710	194,297	206,858
TOTAL ALL FUNDS.....	\$ 522,928	\$ 583,434	\$ 612,989

^a Actually appropriated as SciTech and GI Bill Scholarships.

^b Actually appropriated as SciTech and GI Bill Scholarships—Administration.

Higher Education Assistance Agency

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
FINANCIAL ASSISTANCE TO STUDENTS							
GENERAL FUND.....	\$ 314,141	\$ 344,632	\$ 360,386	\$ 368,720	\$ 368,720	\$ 368,720	\$ 368,720
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	3,156	3,156	3,156	3,156	3,156	3,156
OTHER FUNDS.....	169,710	194,297	206,858	200,517	200,517	200,517	200,517
SUBCATEGORY TOTAL.....	\$ 483,851	\$ 542,085	\$ 570,400	\$ 572,393	\$ 572,393	\$ 572,393	\$ 572,393
FINANCIAL AID TO INSTITUTIONS							
GENERAL FUND.....	\$ 39,077	\$ 41,349	\$ 42,589	\$ 42,589	\$ 42,589	\$ 42,589	\$ 42,589
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 39,077	\$ 41,349	\$ 42,589	\$ 42,589	\$ 42,589	\$ 42,589	\$ 42,589
ALL PROGRAMS:							
GENERAL FUND.....	\$ 353,218	\$ 385,981	\$ 402,975	\$ 411,309	\$ 411,309	\$ 411,309	\$ 411,309
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	3,156	3,156	3,156	3,156	3,156	3,156
OTHER FUNDS.....	169,710	194,297	206,858	200,517	200,517	200,517	200,517
DEPARTMENT TOTAL.....	\$ 522,928	\$ 583,434	\$ 612,989	\$ 614,982	\$ 614,982	\$ 614,982	\$ 614,982

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 and 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 SciTech and Technology Scholarships Program provides grants to eligible Pennsylvania students who are enrolled in an approved postsecondary science or technology curriculum. Students participating in this program must maintain the grade point average required and must also meet the post-graduation work requirement.

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 Temple University, the Pennsylvania State University or the University of Pittsburgh.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Grants to Students:							
Applications for grants	390,032	392,430	408,130	424,460	441,440	459,100	477,460
Applications complete and needs tested for eligibility	227,980	238,916	241,440	251,100	261,140	271,590	282,450
Eligible applicants—meeting qualifications .	152,046	164,984	166,840	173,510	180,450	187,760	195,170
Eligible applicants not enrolled at a college/university	13,704	14,870	15,040	15,640	16,270	16,920	17,590
Eligible applicants enrolled and accepting grants	138,342	150,114	151,800	157,870	164,180	170,840	177,580
Grant amount as percent of applicants total educational cost	14.20%	14.10%	14.10%	14.10%	14.10%	14.50%	14.10%
Students Receiving SciTech Scholarships ..	438	1,938	4,500	7,000	7,000	7,000	7,000
Work Study:							
Students assisted by Federal, State and private funds	57,000	62,700	71,500	71,500	71,500	71,500	71,500
Student work study earnings (in millions) ...	\$57.5	\$62.5	\$68.7	\$68.7	\$68.7	\$68.7	\$68.7

Students receiving SciTech Scholarships are in addition to the students in the Grants to Students program. Fewer students applied for scholarships than were projected in last year's budget.

Student work study earnings decreased from the projection shown in last year's budget because participating institutions may shift funds from work study to other federal programs for exceptionally needy students.

Higher Education Assistance Agency

Program: Financial Assistance to Students (continued)

Program Measures: (continued)	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Student Loans:							
Federally guaranteed loans	594,382	704,319	834,590	959,779	1,055,757	1,134,939	1,191,686

Federally guaranteed loans increased from the projection shown in last year's budget because a federal reporting change requires cancelled and paid loans to be included.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Grants to Students
 \$ 21,987 —Initiative — Enhancements to the Student Grant Program. To increase the number of grant recipients by 4,100 over the revised 2000-01 estimate of 135,000 students to a 2001-02 estimate of 139,100 full time equivalent students; and to increase the average award from \$2,340 to \$2,440.

Matching Payments to Student Aid Funds
 \$ 1,630 —to provide match for increased Federal funds.

Agriculture Loan Forgiveness
 \$ 46 —to continue current program.

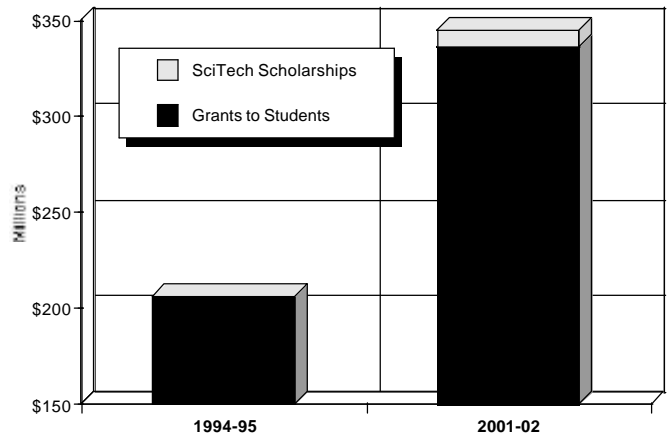
Child Care Loan Forgiveness
 \$ -100 —nonrecurring appropriation.

SciTech and Technology Scholarships
 \$ 8,200 —to continue current program.
 -16,534 —funding amount in the 2000-01 budget.

\$ -8,334 *Appropriation Change*

Cheyney University Keystone Academy
 \$ 525 —to recruit and enroll gifted students at Cheyney University.

Student Aid Higher Education Assistance Agency



Since 1994-95, State funding for student aid has increased by \$138 million or 67 percent.

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Grants to Students	\$ 285,547	\$ 314,102	\$ 336,089	\$ 336,089	\$ 336,089	\$ 336,089	\$ 336,089
Matching Payments for Student Aid Funds	9,972	11,197	12,827	12,827	12,827	12,827	12,827
Horace Mann Bond-Leslie Pinckney Hill Scholarship	750	750	750	750	750	750	750
Agricultural Loan Forgiveness	177	238	284	284	284	284	284
Child Care Loan Forgiveness	0	100	0	0	0	0	0
SciTech and Technology Scholarships	16,534	16,534	8,200	16,534	16,534	16,534	16,534
SciTech and Technology Scholarships - Administration	661	661	661	661	661	661	661
Cheyney University Keystone Academy	500	1,050	1,575	1,575	1,575	1,575	1,575
TOTAL GENERAL FUND	\$ 314,141	\$ 344,632	\$ 360,386	\$ 368,720	\$ 368,720	\$ 368,720	\$ 368,720

Higher Education Assistance Agency

PROGRAM OBJECTIVE: To assist independent post-secondary institutions to maintain enrollments and stabilize their educational costs thereby promoting access to institutions in all sectors for Pennsylvania students.

Program: Financial Aid to Institutions

The Institutional Assistance Grants Program, which began in 1974, provides grants to assist independent post-secondary institutions that are 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-five institutions are expected to participate in the 2001-02 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.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Eligible grant recipients enrolled at eligible independent institutions	35,728	38,306	38,737	38,737	38,737	38,737	38,737
Per capita grant	\$1,094	\$1,079	\$1,099	\$1,099	\$1,099	\$1,099	\$1,099

In 1999-00, eligible grant recipients enrolled at eligible independent institutions decreased compared to last year's budget; thus increasing the average per capita grant.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Institutional Assistance Grants
 \$ 1,240 —to provide a 3% increase.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Institutional Assistance Grants	\$ 39,077	\$ 41,349	\$ 42,589	\$ 42,589	\$ 42,589	\$ 42,589	\$ 42,589



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

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00	2000-01	2001-02
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 20,229	\$ 22,377	\$ 23,970
(F)Historic Preservation.....	864	1,300 ^a	1,500
(F)National Historic Publications and Records.....	0	250	50
(F)PA Historical Records Advisory Board (EA).....	19	0	0
(F)Delaware & Lehigh Canal Partnership Program.....	0	0	350
(F)Sept 1999 Tropical Storm Disaster-Public Assistance (EA).....	5	0	0
(F)Intermodal Surface Transportation Safety Act (EA).....	0	10	0
(F)Surface Mining Review (EA).....	54	60	90
(F)Railroad Museum Improvement (EA).....	283	919	0
(F)Environmental Review (EA).....	99	125	135
(F)Pennsbury Manor Improvement Project (EA).....	24	30	0
(F)Erie Maritime Center (EA).....	4	0	0
(F)Pennsylvania Archaeology (EA).....	0	170	0
(A)Historic Preservation Fund.....	445	465	465
(A)PA Turnpike Commission.....	0	15	15
(A)Architectural Services.....	2	1	1
(A)Keystone Recreation, Park & Conservation Fund.....	313	357	337
Subtotal.....	\$ 22,341	\$ 26,079	\$ 26,913
Maintenance Program.....	1,000	2,000	2,000
Subtotal - State Funds.....	\$ 21,229	\$ 24,377	\$ 25,970
Subtotal - Federal Funds.....	1,352	2,864	2,125
Subtotal - Augmentations.....	760	838	818
Total - General Government.....	\$ 23,341	\$ 28,079	\$ 28,913
<i>Grants and Subsidies:</i>			
Museum Assistance Grants.....	\$ 4,400	\$ 4,450	\$ 4,450
Gettysburg Monuments.....	0	1,000	0
Regional History Centers.....	0	500	0
Legislative History Collection.....	250	0	0
University of Pennsylvania Museum.....	219	241	241
Carnegie Museum of Natural History.....	219	241	241
Carnegie Science Center.....	219	241	241
Franklin Institute Science Museum.....	662	728	728
Academy of Natural Sciences.....	406	447	447
African American Museum in Philadelphia.....	310	341	341
Everhart Museum.....	40	44	44
Mercer Museum.....	168	185	185
Whitaker Center for Science and the Arts.....	121	133	133
Total - Grants and Subsidies.....	\$ 7,014	\$ 8,551	\$ 7,051
STATE FUNDS.....	\$ 28,243	\$ 32,928	\$ 33,021
FEDERAL FUNDS.....	1,352	2,864	2,125
AUGMENTATIONS.....	760	838	818
GENERAL FUND TOTAL.....	\$ 30,355	\$ 36,630	\$ 35,964
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:			
<i>Grants and Subsidies:</i>			
Historic Site Development - Realty Transfer Tax (EA).....	\$ 9,519	\$ 13,433	\$ 6,595

Historical and Museum Commission

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
<u>OTHER FUNDS:</u>			
GENERAL FUND:			
Historical Preservation Act of 1966 (F).....	\$ 138	\$ 0	\$ 90
HISTORICAL PRESERVATION FUND:			
Historical Preservation Fund.....	\$ 6,760	\$ 4,335	\$ 4,200
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 28,243	\$ 32,928	\$ 33,021
SPECIAL FUNDS.....	9,519	13,433	6,595
FEDERAL FUNDS.....	1,352	2,864	2,125
AUGMENTATIONS.....	760	838	818
OTHER FUNDS.....	6,898	4,335	4,290
TOTAL ALL FUNDS.....	\$ 46,772	\$ 54,398	\$ 46,849

^a Includes recommended supplemental appropriation of \$300,000.

Historical and Museum Commission

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
STATE HISTORIC PRESERVATION							
GENERAL FUND.....	\$ 21,229	\$ 24,377	\$ 25,970	\$ 26,564	\$ 27,096	\$ 27,638	\$ 28,190
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,352	2,864	2,125	2,125	2,125	2,125	2,125
OTHER FUNDS.....	7,658	5,173	5,108	5,119	5,143	5,170	5,196
SUBCATEGORY TOTAL.....	\$ 30,239	\$ 32,414	\$ 33,203	\$ 33,808	\$ 34,364	\$ 34,933	\$ 35,511
MUSEUM ASSISTANCE							
GENERAL FUND.....	\$ 7,014	\$ 8,551	\$ 7,051	\$ 7,001	\$ 7,001	\$ 7,001	\$ 7,001
SPECIAL FUNDS.....	9,519	13,433	6,595	6,780	7,083	7,413	7,747
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 16,533	\$ 21,984	\$ 13,646	\$ 13,781	\$ 14,084	\$ 14,414	\$ 14,748
ALL PROGRAMS:							
GENERAL FUND.....	\$ 28,243	\$ 32,928	\$ 33,021	\$ 33,565	\$ 34,097	\$ 34,639	\$ 35,191
SPECIAL FUNDS.....	9,519	13,433	6,595	6,780	7,083	7,413	7,747
FEDERAL FUNDS.....	1,352	2,864	2,125	2,125	2,125	2,125	2,125
OTHER FUNDS.....	7,658	5,173	5,108	5,119	5,143	5,170	5,196
DEPARTMENT TOTAL.....	\$ 46,772	\$ 54,398	\$ 46,849	\$ 47,589	\$ 48,448	\$ 49,347	\$ 50,259

Historical and Museum Commission

PROGRAM OBJECTIVE: To manage and safeguard Pennsylvania's historic resources through a comprehensive history and museum program to educate, interpret, research and preserve all areas of Pennsylvania history.

Program: State Historic Preservation

The State Historic Preservation Program administered by the Historical and Museum Commission is comprised of four major elements. These elements include Executive Direction and Administration, Pennsylvania State and Local Records, Historic Site and Museum Operations and Historic Preservation.

Program Element: Executive Direction and Administration

This 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.

Program Element: State and Local Records

This element supports the operation of the State Archives, the State Records Center and the Document Image Services Center. The State Archives is responsible for identifying, acquiring, preserving and providing continuing public access to the permanently valuable and historical records created by government. This mandate extends to electronic records and to the use of electronic and web technology to facilitate public access. The Archives maintains and preserves program files, maps, correspondence, reports, photographs, minutes, case files and various records that document the significant activities of Pennsylvania's proprietary, revolutionary and State governments including the records of the land office and hundreds of existing and defunct governmental agencies.

The State Archives, the State Records Center and the Document Images Service Center offer Pennsylvania and its political subdivisions opportunities for solving the serious problem of managing paper and electronic records.

This element also administers the Commission's website in cooperation with other agency programs.

Program Element: Historic Site and Museum Operations

This element supports the operation of 26 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.

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: Historic Preservation

This element is responsible for the identification, protection and enhancement of buildings, structures and districts of historic and architectural significance within the Commonwealth. It provides for the infusion of Federal funds from the Department of the Interior to enhance the economic base of many communities in Pennsylvania; provide a survey and National Register nomination program; maintain an information network providing direction and assistance to local preservation organizations; administer an archaeological program to improve policies and procedures and provide direction to the professional and advocational community; and preserve and protect endangered historic public and private buildings, structures and landmarks through a nonprofit Statewide revolving fund.

Historical and Museum Commission

Program: State Historic Preservation (continued)

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
State and Local Records							
Pages of archives and historical manuscripts (in thousands)	172,639	180,000	185,000	190,000	200,000	205,000	210,000
Service request responses (History, Archives and State Records) (in thousands)	154	155	156	157	158	159	160
Historic Site and Museum Operations							
Annual visits to commission historical sites and museums (in thousands)	1,273	1,300	1,325	1,350	1,400	1,425	1,450
Historic markers	1,922	1,972	2,094	2,154	2,214	2,255	2,300
Historic Preservation							
Evaluations for the National Register of Historic Properties	2,620	2,920	3,120	3,420	3,720	4,020	4,320
Professional History and Museum Support Services							
Objects maintained and conserved (in thousands)	2,199	2,200	2,250	2,300	2,350	2,400	2,450
Commission buildings undergoing improvement	118	115	115	125	125	130	130

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

		GENERAL FUND
		General Government Operations
\$	926	—to continue current program.
	580	—to relocate offices to the Keystone Building.
	217	—Initiative — Expanded Historic Site Operations. To provide administrative support at Fort Pitt and Eckley Miners' Village sites.
	150	—Initiative — Website Enhancements.
	38	—Initiative — Safety and Loss Prevention Coordination. To provide administrative support for a safety and loss prevention program.
	-318	—nonrecurring radio system equipment costs.
\$	<u>1,593</u>	<i>Appropriation Increase</i>

The Maintenance Program appropriation is recommended at the current year funding level.

A \$100 million capital investment in Pennsylvania's state museums is detailed in the Capital Budget section.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
General Government Operations	\$ 20,229	\$ 22,377	\$ 23,970	\$ 24,524	\$ 25,015	\$ 25,515	\$ 26,025
Maintenance Program	1,000	2,000	2,000	2,040	2,081	2,123	2,165
TOTAL GENERAL FUND	\$ 21,229	\$ 24,377	\$ 25,970	\$ 26,564	\$ 27,096	\$ 27,638	\$ 28,190

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 and Local History Grant 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. Organizations may apply to the Historical and Museum Commission for projects in various grant categories 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 50 of 1993. 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, rehabilitation, restoration and other related projects.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Museum assistance competitive grants awarded	195	220	230	240	250	250	250
Museum assistance general operating support grants	128	140	140	140	140	140	140

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>GENERAL FUND Gettysburg Monuments \$ -1,000 —nonrecurring appropriation.</p> <p>Regional History Centers \$ -500 —nonrecurring appropriation.</p>	<p>KEYSTONE RECREATION, PARK AND CONSERVATION FUND Historic Site Development — Realty Transfer Tax (EA) \$ -6,838 —nonrecurring projects.</p>
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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)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Museum Assistance Grants	\$ 4,400	\$ 4,450	\$ 4,450	\$ 4,400	\$ 4,400	\$ 4,400	\$ 4,400
Gettysburg Monuments	0	1,000	0	0	0	0	0
Regional History Centers	0	500	0	0	0	0	0
Legislative History Collection	250	0	0	0	0	0	0
University of Pennsylvania Museum	219	241	241	241	241	241	241
Carnegie Museum of Natural History	219	241	241	241	241	241	241
Carnegie Science Center	219	241	241	241	241	241	241
Franklin Institute Science Museum	662	728	728	728	728	728	728
Academy of Natural Sciences	406	447	447	447	447	447	447
African American Museum in Philadelphia ..	310	341	341	341	341	341	341
Everhart Museum	40	44	44	44	44	44	44
Mercer Museum	168	185	185	185	185	185	185
Whitaker Center for Science and the Arts ..	121	133	133	133	133	133	133
TOTAL GENERAL FUND	\$ 7,014	\$ 8,551	\$ 7,051	\$ 7,001	\$ 7,001	\$ 7,001	\$ 7,001
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:							
Historic Site Development -							
Realty Transfer Tax (EA)	\$ 9,519	\$ 13,433	\$ 6,595	\$ 6,780	\$ 7,083	\$ 7,413	\$ 7,747



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.

Infrastructure Investment Authority

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00	2000-01	2001-02
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
<i>Grants and Subsidies:</i>			
(F)Sewage Projects Revolving Loan Fund.....	\$ 66,265	\$ 66,000	\$ 67,000
(F)Drinking Water Projects Revolving Loan Fund.....	38,576	52,693	38,000
(F)Rural Communities Wastewater Treatment.....	1,507	1,500	636
Subtotal - Federal Funds.....	106,348	120,193	105,636
Total - Grants and Subsidies.....	\$ 106,348	\$ 120,193	\$ 105,636
GENERAL FUND TOTAL.....	\$ 106,348	\$ 120,193	\$ 105,636
ENVIRONMENTAL STEWARDSHIP FUND:			
<i>Grants and Subsidies:</i>			
Storm Water, Water and Sewer Grants (EA).....	\$ 23,985	\$ 31,754	\$ 32,908
OTHER FUNDS:			
PENNVEST FUND:			
PENNVEST Operations (EA).....	\$ 1,886	\$ 2,442	\$ 2,288
Grants - Other Revenue Sources (EA).....	2,036	2,125	2,125
Revenue Bond Loan Pool (EA).....	0	10	10
Public Revolving Loans and Administration.....	32,045	40,010	42,500
Private Revolving Loans.....	3,183	2,000	3,000
Growing Greener Grants.....	0	15,000	20,000
PENNVEST Drinking Water Revolving Fund (EA).....	0	12,000	0
PENNVEST FUND TOTAL.....	\$ 39,150	\$ 73,587	\$ 69,923
PENNVEST WATER POLLUTION CONTROL REVOLVING FUND:			
PENNVEST Water Pollution Control Revolving Fund.....	\$ 11,336	\$ 13,000	\$ 13,500
Additional Sewage Projects Revolving Loans (EA).....	2,270	20,000	20,000
Sewage Projects Revolving Loan Fund (EA).....	0 ^a	0 ^a	0 ^a
On-lot Sewage Disposal Systems (EA).....	0 ^b	0 ^b	0 ^b
Rural Communities Wastewater Treatment (EA).....	0 ^c	0 ^c	0 ^c
PENNVEST WATER POLLUTION CONTROL REVOLVING FUND TOTAL.....	\$ 13,606	\$ 33,000	\$ 33,500
PENNVEST DRINKING WATER REVOLVING FUND:			
PENNVEST Drinking Water Project Revolving Fund.....	\$ 8,445	\$ 12,000	\$ 13,000
Additional Drinking Water Projects Revolving Loans (EA).....	0	1,500	4,000
Drinking Water Projects Revolving Loan Fund (EA).....	0 ^d	0 ^d	0 ^d
Loan Program Administration (EA).....	0 ^e	0 ^e	0 ^e
Technical Assistance to Small Systems (EA).....	371	3,263	610
Assistance to State Programs (EA).....	2,085	2,800	2,700
Local Assistance and Source Water Pollution (EA).....	2,088	5,500	3,500
PENNVEST DRINKING WATER REVOLVING FUND TOTAL.....	\$ 12,989	\$ 25,063	\$ 23,810
PENNVEST REVOLVING FUND:			
PENNVEST Revolving Fund.....	\$ 543	\$ 0	\$ 1,000

Infrastructure Investment Authority

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	23,985	31,754	32,908
FEDERAL FUNDS.....	106,348	120,193	105,636
OTHER FUNDS.....	66,288	131,650	128,233
TOTAL ALL FUNDS.....	\$ 196,621	\$ 283,597	\$ 266,777

-
- ^a Not added to the total to avoid double counting Federal funds: 1999-00 Actual is \$65,265,000, 2000-01 Available is \$65,600,000 and 2001-02 Budget is \$66,500,000.
 - ^b Not added to the total to avoid double counting Federal funds: 1999-00 Actual is \$1,000,000, 2000-01 Available is \$400,000 and 2001-02 Budget is \$500,000.
 - ^c Not added to the total to avoid double counting Federal funds: 1999-00 Actual is \$1,507,000, 2000-01 Available is \$1,500,000 and 2001-02 Budget is \$636,000.
 - ^d Not added to the total to avoid double counting Federal funds: 1999-00 Actual is \$32,504,000, 2000-01 Available is \$40,000,000 and 2001-02 Budget is \$26,487,000.
 - ^e Not added to the total to avoid double counting Federal funds: 1999-00 Actual is \$1,528,000, 2000-01 Available is \$1,130,000 and 2001-02 Budget is \$1,603,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
PENNVEST							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	23,985	31,754	32,908	32,469	32,469	0	0
FEDERAL FUNDS.....	106,348	120,193	105,636	102,600	105,100	107,400	110,200
OTHER FUNDS.....	66,288	131,650	128,233	116,799	119,216	119,964	120,713
SUBCATEGORY TOTAL.....	\$ 196,621	\$ 283,597	\$ 266,777	\$ 251,868	\$ 256,785	\$ 227,364	\$ 230,913
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	23,985	31,754	32,908	32,469	32,469	0	0
FEDERAL FUNDS.....	106,348	120,193	105,636	102,600	105,100	107,400	110,200
OTHER FUNDS.....	66,288	131,650	128,233	116,799	119,216	119,964	120,713
DEPARTMENT TOTAL.....	\$ 196,621	\$ 283,597	\$ 266,777	\$ 251,868	\$ 256,785	\$ 227,364	\$ 230,913

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.

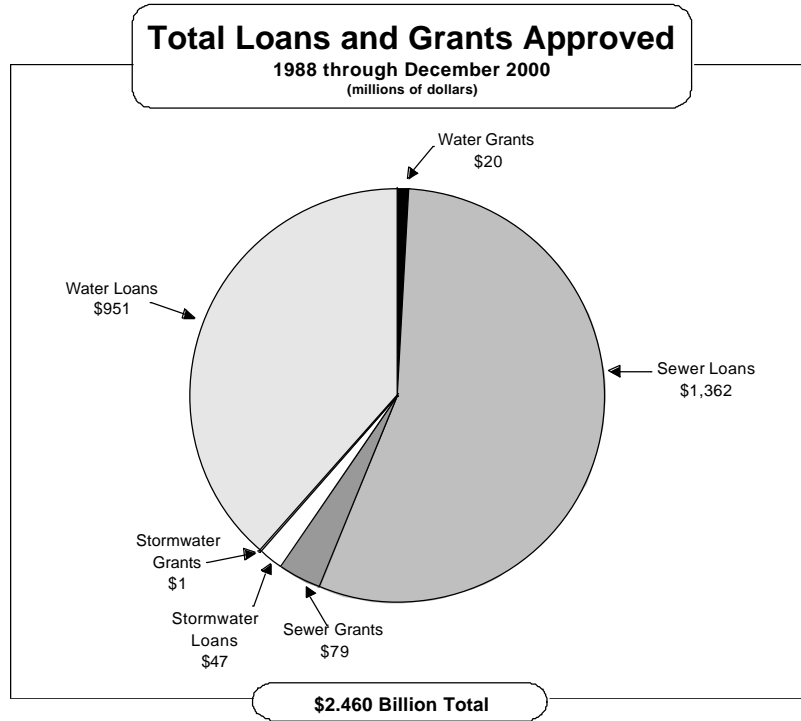
To facilitate fund management and accounting, several separate funds have been established. The PENNVEST Fund serves as the repository of interest and investment income, and loan repayments. Loans and grants and administrative costs are paid from this fund. The Water Pollution Control Revolving Fund 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.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-2004	2004-05	2005-06
PENNVEST projects implemented	73	80	83	85	85	85	85
PENNVEST awards (in millions):							
Loans	\$ 191	\$ 180	\$ 180	\$ 180	\$ 180	\$ 180	\$ 180
Grants	14	37	37	37	37	2	2
Total	\$ <u>205</u>	\$ <u>217</u>	\$ <u>217</u>	\$ <u>217</u>	\$ <u>217</u>	\$ <u>182</u>	\$ <u>182</u>

PENNVEST projects implemented and PENNVEST loan awards have been changed from projections in last year's budget to show revised estimates based on actual activity. PENNVEST grants awards have been increased to reflect the impact of the Growing Greener grant program.

Infrastructure Investment Authority

Program: PENNVEST (continued)



Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

**ENVIRONMENTAL STEWARDSHIP FUND:
PENNVEST**

\$ 1,154 —for additional Growing Greener grants.

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)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
ENVIRONMENTAL STEWARDSHIP FUND:							
Storm Water, Water and Sewer Grants (EA)	\$ 23,985	\$ 31,754	\$ 32,908	\$ 32,469	\$ 32,469	\$ 0	\$ 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)		
	1999-00	2000-01	2001-02
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations	\$ 18,041	\$ 18,847	\$ 19,578
(A)Companies in Liquidation.....	1,120	1,154	1,199
(A)Duplicating and Mailing Services.....	54	45	45
(A)Workers' Compensation Security Services.....	141	150	167
(A)Reimbursements - Examination Travel.....	696	675	675
(A)Reimbursements - Market Conduct Travel.....	140	120	120
(A)Underground Storage Tank Indemnification Fund Expense.....	18	14	18
(A)Reimbursement - Catastrophic Loss Benefits Continuation Fund.....	31	25	25
Children's Health Insurance Administration	1,053	1,504	3,172
(F)Children's Health Insurance Administration.....	1,999	3,053	6,444
Children's Health Insurance	0	35,000	35,000
(F)Children's Health Insurance Program.....	68,451	89,259 ^a	105,974
Adult Health Insurance Administration	0	1,087	860
Subtotal - State Funds.....	\$ 19,094	\$ 56,438	\$ 58,610
Subtotal - Federal Funds.....	70,450	92,312	112,418
Subtotal - Augmentations.....	2,200	2,183	2,249
Total - General Government.....	\$ 91,744	\$ 150,933	\$ 173,277
STATE FUNDS.....	\$ 19,094	\$ 56,438	\$ 58,610
FEDERAL FUNDS.....	70,450	92,312	112,418
AUGMENTATIONS.....	2,200	2,183	2,249
GENERAL FUND TOTAL	\$ 91,744	\$ 150,933	\$ 173,277
TOBACCO SETTLEMENT FUND:			
<i>General Government:</i>			
Adult Health Insurance Program.....	\$ 0	\$ 73,728 ^b	\$ 109,843
OTHER FUNDS:			
GENERAL FUND:			
Children's Health Insurance Program.....	\$ 31,639	\$ 46,711	\$ 30,600
CATASTROPHIC LOSS BENEFITS CONTINUATION FUND:			
Administration (EA).....	\$ 1,229	\$ 1,331	\$ 1,744
Claims (EA).....	14,300	14,300	13,500
Loan Repayment(EA).....	12,000	12,000	12,000
CATASTROPHIC LOSS BENEFITS CONTINUATION FUND TOTAL	\$ 27,529	\$ 27,631	\$ 27,244
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND:			
Administration (EA).....	\$ 4,985	\$ 5,074	\$ 5,595
Claims (EA).....	40,000	35,000	40,000
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND TOTAL	\$ 44,985	\$ 40,074	\$ 45,595

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 19,094	\$ 56,438	\$ 58,610
SPECIAL FUNDS.....	0	73,728	109,843
FEDERAL FUNDS.....	70,450	92,312	112,418
AUGMENTATIONS.....	2,200	2,183	2,249
OTHER FUNDS.....	104,153	114,416	103,439
TOTAL ALL FUNDS.....	\$ 195,897	\$ 339,077	\$ 386,559

^a Actually appropriated as \$113,932,000. Amount shown is the best current estimate of the amount available for 2000-01. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.

^b Includes recommended supplemental appropriation of \$73,728,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
INSURANCE INDUSTRY REGULATION							
GENERAL FUND.....	\$ 19,094	\$ 56,438	\$ 58,610	\$ 63,578	\$ 75,895	\$ 87,963	\$ 90,783
SPECIAL FUNDS.....	0	73,728	109,843	137,718	139,081	122,196	124,021
FEDERAL FUNDS.....	70,450	92,312	112,418	132,828	153,458	173,429	176,861
OTHER FUNDS.....	106,353	116,599	105,688	99,880	93,075	92,673	92,377
SUBCATEGORY TOTAL.....	\$ 195,897	\$ 339,077	\$ 386,559	\$ 434,004	\$ 461,509	\$ 476,261	\$ 484,042
ALL PROGRAMS:							
GENERAL FUND.....	\$ 19,094	\$ 56,438	\$ 58,610	\$ 63,578	\$ 75,895	\$ 87,963	\$ 90,783
SPECIAL FUNDS.....	0	73,728	109,843	137,718	139,081	122,196	124,021
FEDERAL FUNDS.....	70,450	92,312	112,418	132,828	153,458	173,429	176,861
OTHER FUNDS.....	106,353	116,599	105,688	99,880	93,075	92,673	92,377
DEPARTMENT TOTAL.....	\$ 195,897	\$ 339,077	\$ 386,559	\$ 434,004	\$ 461,509	\$ 476,261	\$ 484,042

PROGRAM OBJECTIVE: To serve Pennsylvania's insurance consumers through fair and efficient regulation of the insurance industry.

Program: Insurance Industry Regulation

The Insurance Department's responsibilities are to protect insurance consumers by providing adequate safeguards, to ensure that products are available, 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 1,700 insurance companies; authorizes the admission of new insurers to the State; tests and licenses insurance agents, brokers and bondsmen; reviews and approves over 16,000 rate and policy form filings each year; analyzes annual and quarterly financial statements and other corporate transactions filed by insurance companies and other regulated entities; conducts an average of 90 on-site financial examinations of domestic insurance companies each year; conducts adjudicatory hearings; and handles nearly 300,000 consumer and customer interventions and inquiries annually.

The financial condition of insurers licensed to transact business in Pennsylvania is monitored and regulated through the department's examination and financial analysis functions. Because of the concern regarding the number of financially troubled insurers and national attention focused on the quality of state regulation and insurer solvency, the department continues to commit its resources to 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 correct problems before they lead to insolvency.

The Federal Gramm-Leach-Bliley Financial Services Modernization Act of 1999 enables insurance companies, banks and securities firms to merge and sell one another's products. Pennsylvania is acting in concert with other states to develop a blueprint for state insurance regulation. The Insurance Department will work toward educating consumers with respect to the vast array of products available and providing a regulatory climate that will enable insurance companies to remain competitive in an increasingly global marketplace. Additional coordination with other states aims for more uniform and streamlined producer licensing.

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 administers the Children's Health Insurance Program (CHIP), which was established by Act 113 of 1992 and significantly expanded with the passage of Act 68 of 1998. CHIP makes comprehensive free or low-cost health insurance available to the children of low-income working parents. CHIP offers a comprehensive package of benefits, including well child visits, immunizations, prescription coverage, emergency care, inpatient services, mental health services and hearing, vision and dental services. When initially implemented in 1993, CHIP provided the free portion of the program to those under 185 percent of the Federal poverty guidelines and the subsidized program to children from families earning between 185 percent and 235 percent of poverty. With the passage of Act 68 of 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 State 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, 2000, enrollment has increased to about 104,000 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:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Consumer savings from departmental intervention in insurance claim disputes (in thousands)	\$5,778	\$7,800	\$7,900	\$8,000	\$8,000	\$8,000	\$8,000
Companies in liquidation	13	12	7	5	5	5	5
Rate filings reviewed	6,414	6,250	6,250	6,250	6,250	6,250	6,250
Administrative hearings held	109	110	110	110	110	110	11
Policy/form filings reviewed	8,991	9,500	9,500	9,500	9,500	9,500	9,500
Enforcement investigations completed	326	350	350	350	350	350	350
Insurer market conduct examinations completed	36	100	100	100	100	100	100
Producer licensing filings	281,322	288,000	290,880	293,789	296,727	299,694	302,691
Children's Health Insurance Program enrollment	99,008	110,640	124,672	132,361	140,525	151,160	161,794
Company financial and corporate filings reviewed*	2,935	2,980	3,015	3,055	3,080	3,080	3,080

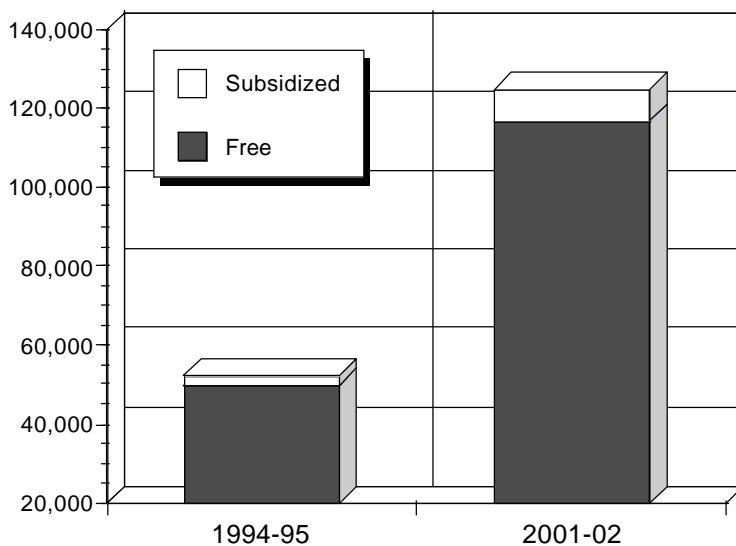
Consumer savings from departmental intervention decrease in 1999-00 from the projection shown in last year's budget because fewer recoveries by the agency were required.

Insurance companies in liquidation increases from the projections shown in last year's budget because of additional companies entering liquidation and fewer companies being discharged than originally forecast.

Insurer market conduct examinations completed decrease in 1999-00 from the projection shown in last year's budget because the department undertook examinations of large health maintenance organizations which required significant examiner resources. The diversity in the size and complexity of reviews will continue to effect examinations completed in any given year.

* New measure to fully reflect companies regulated.

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 program has expanded from 49,659 in 1994-95 to an estimated 124,672 children to be enrolled in 2001-02.

Program: Insurance Industry Regulation (continued)

Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	General Government Operations		Adult Health Insurance Administration
\$ 649	—advanced technology systems implementation.	\$ -227	—nonrecurring start-up costs to administer the program, funded from the Tobacco Settlement Fund, to provide a health insurance program for low income adults.
413	—to continue current program.		
62	—expanded actuarial review of health insurers and property/casualty insurers.		
55	—increased market conduct examinations, including investigation of health maintenance organizations.		Children's Health Insurance is continued at the current level and will fund expansion to 124,672 children.
-448	nonrecurring technology implementation.		
<u>\$ 731</u>	<i>Appropriation Increase</i>		
	Children's Health Insurance Administration		TOBACCO SETTLEMENT FUND: Adult Health Insurance
\$ 825	—advanced technology systems implementation, eligibility and enrollment system.	\$ 36,115	—for a subsidized health insurance program for adults with a household income less than 200% of Federal poverty guidelines.
825	—to expand outreach.		
586	—advanced technology systems implementation, quality assurance system.		
103	—to continue current program.		
16	—increase community outreach grants.		
-647	—nonrecurring technology implementation.		
-40	—nonrecurring audit cost.		
<u>\$ 1,668</u>	<i>Appropriation Increase</i>		



Includes PRIME recommendation to redesign the manner in which new and renewal licenses are granted to insurance agents.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
General Government Operations	\$ 18,041	\$ 18,847	\$ 19,578	\$ 19,970	\$ 20,369	\$ 20,776	\$ 21,192
Children's Health Insurance Administration	1,053	1,504	3,172	3,235	3,300	3,366	3,433
Children's Health Insurance	0	35,000	35,000	39,496	51,331	62,908	65,227
Adult Health Insurance Administration	0	1,087	860	877	895	913	931
TOTAL GENERAL FUND	<u>\$ 19,094</u>	<u>\$ 56,438</u>	<u>\$ 58,610</u>	<u>\$ 63,578</u>	<u>\$ 75,895</u>	<u>\$ 87,963</u>	<u>\$ 90,783</u>
TOBACCO SETTLEMENT FUND:							
Adult Health Insurance Program	\$ 0	\$ 73,728	\$ 109,843	\$ 137,718	\$ 139,081	\$ 122,196	\$ 124,021



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)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations	\$ 13,469 ^a	\$ 22,080	\$ 19,818
(F)National Occupational Information Coordinating Committee.....	147	318	0
(F)JTPA - Administration.....	5,258	0	0
(F)Workforce Investment Act - Administration.....	0	6,800	8,500
(F)Community Service and Corps.....	6,617	9,857	9,964
(F)Disability Determination.....	65,433	71,022	71,888
(F)New Hires.....	1,656	1,693	1,736
(A)Federal Indirect Cost Reimbursement.....	1,293	1,338	1,000
Subtotal.....	<u>\$ 93,873</u>	<u>\$ 113,108</u>	<u>\$ 112,906</u>
Occupational and Industrial Safety	10,240	11,576	11,806
(F)Asbestos Certification.....	6	79	79
(A)Federal Indirect Cost Reimbursements.....	1,322	1,200	1,000
Internet Claims Processing	0	500	500
PENNSAFE	1,118	1,389	1,431
(F)Pipeline Safety (EA).....	57	72	72
(A)PENNSAFE.....	0	100	100
(R)Asbestos and Lead Certification (EA).....	1,394	1,436	1,636
Pennsylvania Conservation Corps	6,346	6,352	6,352
(F)Urban Youth Corps (EA).....	208	0	0
Employer Information Resources	0	0	887
Subtotal - State Funds.....	<u>\$ 31,173</u>	<u>\$ 41,897</u>	<u>\$ 40,794</u>
Subtotal - Federal Funds.....	79,382	89,841	92,239
Subtotal - Augmentations.....	2,615	2,638	2,100
Subtotal - Restricted Revenues.....	1,394	1,436	1,636
Total - General Government.....	<u>\$ 114,564</u>	<u>\$ 135,812</u>	<u>\$ 136,769</u>
Grants and Subsidies:			
Occupational Disease Payments	\$ 3,261	\$ 3,473	\$ 3,210
Vocational Rehabilitation Services	1,998	2,060	4,000
Entrepreneurial Assistance	999	1,030	1,061
Transfer to Vocational Rehabilitation Fund	34,085	35,148	36,202
Supported Employment	1,000	1,050	1,155
Centers for Independent Living	1,160	1,218	1,600
Workers' Compensation Payments	400	330	300
Training Activities	2,498 ^b	2,500	2,500
Assistive Technology	770 ^c	809	890
Self Employment Assistance	508	662	2,500
Employment Services	12,443 ^d	18,220 ^d	9,704
(F)Joint Jobs Initiative (EA).....	143,444	158,744	158,744
(F)JTPA - Grants to Service Delivery Areas.....	49,092	0	0
(F)JTPA - Summer Youth.....	37,400	0	0
(F)JTPA - Incentive Grants.....	795	0	0
(F)JTPA - Older Workers.....	946	0	0
(F)JTPA - Veterans Employment.....	635	0	0
(F)JTPA - Dislocated Workers.....	64,133	0	0
(F)Reed Act - Unemployment Insurance.....	0	11,000	11,000
(F)WIA - Adult Employment and Training.....	0	60,000	60,000
(F)WIA - Youth Employment and Training.....	0	52,000	52,000
(F)WIA - Statewide Activities.....	0	12,000	23,000
(F)WIA - Dislocated Workers.....	0	94,000	94,000
(F)Profile Reemployment Employment Security.....	0	3,500	0
(F)TANFBG - Summer Youth.....	5,000	0	0
(F)TANFBG - Summer Youth (EA).....	0	5,000	0
(A)Joint Jobs Initiative.....	54,175	43,000	43,000

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
Subtotal - State Funds.....	\$ 59,246	\$ 66,624	\$ 63,250
Subtotal - Federal Funds.....	301,445	396,244	398,744
Subtotal - Augmentations.....	54,175	43,000	43,000
Total - Grants and Subsidies.....	<u>\$ 414,866</u>	<u>\$ 505,868</u>	<u>\$ 504,994</u>
STATE FUNDS.....	\$ 90,419	\$ 108,521	\$ 104,044
FEDERAL FUNDS.....	380,827	486,085	490,983
AUGMENTATIONS.....	56,790	45,638	45,100
RESTRICTED REVENUES.....	1,394	1,436	1,636
GENERAL FUND TOTAL.....	<u>\$ 529,430</u>	<u>\$ 641,680</u>	<u>\$ 641,763</u>
OTHER FUNDS:			
GENERAL FUND:			
Vending Machine Proceeds - Surface Transportation.....	\$ 726	\$ 1,280	\$ 1,350
ADMINISTRATION FUND:			
Administration of Unemployment.....	\$ 198,629	\$ 199,500	\$ 199,600
EMPLOYMENT FUND FOR THE BLIND:			
General Operations.....	\$ 520	\$ 600	\$ 650
HAZARDOUS MATERIAL RESPONSE FUND:			
Hazardous Material Response Administration.....	\$ 62	\$ 60	\$ 130
REHABILITATION CENTER FUND:			
Operation of Rehabilitation Center.....	\$ 18,531	\$ 18,620	\$ 19,000
VOCATIONAL REHABILITATION FUND:			
General Operations (EA).....	\$ 125,451 ^e	\$ 124,331 ^e	\$ 124,846 ^e
WORKMEN'S COMPENSATION ADMINISTRATION FUND:			
Administration of Workers' Compensation.....	\$ 45,086	\$ 46,388	\$ 51,635
Bureau of Workers' Compensation Expenses (99-00).....	2,000	0	0
WORKMEN'S COMPENSATION ADMINISTRATION FUND TOTAL.....	<u>\$ 47,086</u>	<u>\$ 46,388</u>	<u>\$ 51,635</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 90,419	\$ 108,521	\$ 104,044
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	380,827	486,085	490,983
AUGMENTATIONS.....	56,790	45,638	45,100
RESTRICTED.....	1,394	1,436	1,636
OTHER FUNDS.....	391,005	399,779	397,211
TOTAL ALL FUNDS.....	<u>\$ 920,435</u>	<u>\$ 1,032,459</u>	<u>\$ 1,038,974</u>

^a Includes \$125,000 actually appropriated as part of New Directions in the Department of Public Welfare.

^b Actually appropriated as Dislocated Workers.

^c Actually appropriated in the Department of Public Welfare.

^d 1999-00 Actual includes \$6,431,000 and actually appropriated as part of Community Colleges in the Department of Education and 2000-01 Available includes \$5,643,000 actually appropriated as part of Community Colleges in the Department of Education.

^e Not added to the total to avoid double counting: 1999-00 Actual is \$35,085, 2000-01 Available is \$36,198, and 2001-02 Budget is \$37,357.

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
COMMUNITY AND OCCUPATIONAL SAFETY AND STABILITY							
GENERAL FUND.....	\$ 24,827	\$ 35,045	\$ 33,055	\$ 32,765	\$ 33,420	\$ 34,089	\$ 34,771
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	210	469	151	151	151	151	151
OTHER FUNDS.....	4,071	4,134	3,866	3,944	4,022	4,103	4,185
SUBCATEGORY TOTAL.....	\$ 29,108	\$ 39,648	\$ 37,072	\$ 36,860	\$ 37,593	\$ 38,343	\$ 39,107
WORKERS COMPENSATION AND ASSISTANCE							
GENERAL FUND.....	\$ 3,661	\$ 3,803	\$ 3,510	\$ 3,510	\$ 3,510	\$ 3,510	\$ 3,510
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	67,089	72,715	73,624	73,624	73,624	73,624	73,624
OTHER FUNDS.....	245,715	245,888	251,235	256,260	261,385	266,612	271,944
SUBCATEGORY TOTAL.....	\$ 316,465	\$ 322,406	\$ 328,369	\$ 333,394	\$ 338,519	\$ 343,746	\$ 349,078
WORKFORCE INVESTMENT							
GENERAL FUND.....	\$ 21,795	\$ 28,234	\$ 22,443	\$ 22,321	\$ 21,536	\$ 21,697	\$ 21,580
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	313,528	412,901	417,208	417,208	417,208	417,208	417,208
OTHER FUNDS.....	54,175	43,000	43,000	43,000	43,000	43,000	43,000
SUBCATEGORY TOTAL.....	\$ 389,498	\$ 484,135	\$ 482,651	\$ 482,529	\$ 481,744	\$ 481,905	\$ 481,788
VOCATIONAL REHABILITATION							
GENERAL FUND.....	\$ 40,136	\$ 41,439	\$ 45,036	\$ 45,036	\$ 45,036	\$ 45,036	\$ 45,036
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	145,228	144,831	145,846	148,763	151,739	154,774	157,870
SUBCATEGORY TOTAL.....	\$ 185,364	\$ 186,270	\$ 190,882	\$ 193,799	\$ 196,775	\$ 199,810	\$ 202,906
ALL PROGRAMS:							
GENERAL FUND.....	\$ 90,419	\$ 108,521	\$ 104,044	\$ 103,632	\$ 103,502	\$ 104,332	\$ 104,897
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	380,827	486,085	490,983	490,983	490,983	490,983	490,983
OTHER FUNDS.....	449,189	437,853	443,947	451,967	460,146	468,489	476,999
DEPARTMENT TOTAL.....	\$ 920,435	\$ 1,032,459	\$ 1,038,974	\$ 1,046,582	\$ 1,054,631	\$ 1,063,804	\$ 1,072,879

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 (BOIS). 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, the Uniform Construction Code Act, required the department to adopt a nationally recognized construction code for communities within the Commonwealth in place of disparate community-based codes previously in existence. As authorized by the Act, the department is establishing 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. Publication of the regulations for certifying inspectors is expected to be completed in 2000-01 and final regulations will be published in 2001-02. Buildings must comply in seven distinct areas with the approved code for occupancy approval. These areas are: (1) building, (2) electrical, (3) mechanical, (4) plumbing, (5) energy, (6) accessibility and (7) fire protection. Examiners in BOIS will be trained for certification and local governments may have their own inspectors trained and certified. Department certified examiners will inspect for compliance with approved plans prior to issuance of an occupancy permit.

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 Hard of Hearing responds to requests for information and referral, promotes access for people who are deaf, and provides public education about hearing loss and deafness.

Labor and Industry

Program: Community and Occupational Safety and Stability (continued)

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Minimum wage violations cited	429	525	525	525	525	525	525
Child labor law violations	224	250	250	250	250	250	250
Nonpayment of wage violations	2,118	2,200	2,200	2,200	2,200	2,200	2,200
Mediated cases involving work stoppages:							
Public bargaining units	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Private bargaining units	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Unfair labor practice cases concluded	464	450	450	450	450	450	450
Union representation cases concluded	183	200	200	200	200	200	200
Total inspections performed	131,365	130,000	130,000	130,000	130,000	130,000	130,000
Prevailing Wage Law violations	56	120	120	120	120	120	120
Building approvals issued	14,976	14,000	14,000	14,000	14,000	14,000	14,000
New buildings certified	7,545	8,000	8,000	8,000	8,000	8,000	8,000
Renovations of existing buildings certified	7,431	7,000	7,000	7,000	7,000	7,000	7,000

Minimum wage violations cited decrease from projections shown in last year's budget because more employers are in compliance than expected.

Child labor law violations decrease from those shown in last year's budget because of a decline in complaints from the private sector.

Mediated cases involving work stoppages (private bargaining units), unfair labor practice cases concluded, and union representation cases concluded decrease from projections in last year's budget due to a decrease in new cases.

Prevailing wage law violations increased from those shown in last year's budget due to an increase in complaints and investigations.

New buildings certified decreased while renovations of existing buildings certified increased in 1999-00 from the projections shown in last year's budget based on actual activity. The overall level of construction remained high.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND		Occupational and Industrial Safety	
	General Government Operations		—nonrecurring training expenses.
\$ -3,378	—nonrecurring operational costs of the unemployment compensation and employment services programs.	\$ -150	—to replace Federal indirect cost reimbursements.
	275 —to renovate the cafeteria in the Labor and Industry Building in Harrisburg.	200	—to continue current program.
	338 —to replace Federal indirect cost reimbursements.	180	
	503 —to continue current program.	\$ 230	<i>Appropriation Increase</i>
\$ -2,262	<i>Appropriation Decrease</i>		PENNSAFE
		\$ 42	—to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
General Government Operations	\$ 13,469	\$ 22,080	\$ 19,818	\$ 19,263	\$ 19,648	\$ 20,041	\$ 20,442
Occupational and Industrial Safety	10,240	11,576	11,806	12,042	12,283	12,529	12,780
PENNSAFE	1,118	1,389	1,431	1,460	1,489	1,519	1,549
TOTAL GENERAL FUND	\$ 24,827	\$ 35,045	\$ 33,055	\$ 32,765	\$ 33,420	\$ 34,089	\$ 34,771

PROGRAM OBJECTIVE: To further economic development in the Commonwealth by stabilizing the incomes of employes 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 employes 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 employes 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 $66\frac{2}{3}\%$ of the average weekly wage for the preceding year. The maximum weekly payment during calendar year 2000 was \$408.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Claimants qualifying for occupational disease payments out of Commonwealth funds	1,610	1,500	1,400	1,250	1,140	1,030	1,000
New claimants for workers' compensation payments	41,102	41,000	40,000	39,000	38,000	40,000	40,000
Total petitions assigned	53,275	55,000	54,000	53,000	52,000	52,000	52,000
Judges' decisions	54,717	55,000	54,000	53,000	52,000	52,000	52,000
Average time in days—Case filed/concluded	278	240	240	240	230	230	230
New claims for unemployment compensation	526,913	534,000	548,000	556,000	556,000	556,000	560,000

New claimants filing for workers' compensation were less than projected in last year's budget due to procedural changes and improved workplace safety.

Total petitions assigned and judges decisions decreased in 1999-2000 from the projections shown in last year's budget due to a reduction in workplace injuries and process improvements.

New claims for unemployment compensation were less than projected in last year's budget due to higher employment rates.

Program: Workers' Compensation and Assistance (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ -263 **Occupational Disease Payments**
—nonrecurring payments.

\$ -30 **Workers' Compensation Payments**
—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.

In addition, this budget recommends the following changes for administration of the Workers' Compensation Program through the Workmen's Compensation Administration Fund.

	\$								Administration of Workers' Compensation
		1,527							—to continue current program.
		1,005							—to provide information technology upgrades and maintenance.
		1,000							—for legal expenses.
		1,715							—to provide for security improvements and renovations to the Philadelphia and Pittsburgh Office Buildings.
		5,247							<i>Appropriation Increase</i>

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Occupational Disease Payments	\$ 3,261	\$ 3,473	\$ 3,210	\$ 3,210	\$ 3,210	\$ 3,210	\$ 3,210
Workers' Compensation Payments	400	330	300	300	300	300	300
TOTAL GENERAL FUND	\$ 3,661	\$ 3,803	\$ 3,510	\$ 3,510	\$ 3,510	\$ 3,510	\$ 3,510

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 Career Link, 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 repealed the Job Training Partnership Act and the Economic Dislocation and Worker Adjustment Assistance Act, effective July 1, 2000, is improving the delivery of job training services. The WIA provided for an orderly transition from the Job Training Partnership Act programs to an improved workforce preparation and employment system.

Funding for numerous programs have been consolidated into three basic grants:

- adult employment and training
- disadvantaged youth employment and training
- adult education and family literacy programs

In addition, the law gave 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 system. The transition has improved service for employers, job seekers and other customers by integrating systems and coordinating services. Services available at the centers 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 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 are allocated to the local areas; the remainder is reserved for Statewide activities.

Twenty percent of Federal funds appropriated for dislocated workers 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 about 2,285 dislocated workers in 2001-02.

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 job site to assist laid-off individuals in finding reemployment. The department also promotes labor-management cooperation by encouraging the formation of labor-management committees at the job site to coordinate the mix of available services.

Program: Workforce Investment (continued)

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Individuals placed through Job Service	63,649	58,557	55,043	52,841	51,256	49,718	48,724
Workforce Investment Act:							
Adults Receiving Services	NA	NA	NA	NA	NA	NA	NA
Adult Entered Employment Rate	NA	70%	70%	70%	70%	70%	70%
Adult Retention Rate	NA	79%	79%	79%	79%	79%	79%
Adult Wage Gain	NA	\$3,250	\$3,250	\$3,250	\$3,250	\$3,250	\$3,250
Dislocated Workers Receiving Services	NA	NA	NA	NA	NA	NA	NA
Dislocated Workers Entered Employment							
Rate	NA	80%	80%	80%	80%	80%	80%
Dislocated Worker Retention Rate	NA	89%	89%	89%	89%	89%	89%
Youth Receiving Services	NA	NA	NA	NA	NA	NA	NA
Youth (19-21) Entered Employment Rate	NA	63%	63%	63%	63%	63%	63%
Youth (19-21) Retention Rate	NA	75%	75%	75%	75%	75%	75%
Youth (19-21) Wage Gain	NA	\$2,510	\$2,511	\$2,512	\$2,513	\$2,514	\$2,515

Individuals placed through Job Service decreased from the projections shown in last year's budget because more customers are choosing self-directed services available through the Career Link Offices.

Workforce Investment Act activities are not entirely reflected here because the transition from the JTPA programs to the new WIA management information system for services is not yet in place. Measures reflective of program activity will be available for future budget presentations.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>\$ 887</p> <p>Employer Information Resources —Initiative — Employer Information Resources. To develop a centralized database of employer information for use by all agency program areas.</p>	<p>\$ 850</p> <p>Employment Services —to expand access and provide financial assistance to qualified incumbent workers and other eligible job seekers for internet-based skills training. —nonrecurring projects.</p> <p>—9,366</p>
<p>\$ 1,838</p> <p>Self Employment Assistance —Initiative — Self Employment Assistance. To provide entrepreneurial assistance and training to persons receiving unemployment compensation who wish to become self-employed.</p>	<p>\$ -8,516</p> <p><i>Appropriation Decrease</i></p>

All other appropriations are recommended at the current year funding levels.

In addition, \$450,208,000 in Federal and other funds are budgeted for this program in 2001-02.



Includes the PRIME recommendation to redesign the employer registration process to reduce the time required to issue correct rates to businesses required to file Unemployment Compensation taxes.

Labor and Industry

Program: Workforce Investment (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Internet Claims Processing	\$ 0	\$ 500	\$ 500	\$ 0	\$ 0	\$ 0	\$ 0
Pennsylvania Conservation Corps	6,346	6,352	6,352	6,479	6,609	6,741	6,876
Employer Information Resources	0	0	887	1,138	223	252	0
Training Activities	2,498	2,500	2,500	2,500	2,500	2,500	2,500
Self Employment Assistance	508	662	2,500	2,500	2,500	2,500	2,500
Employment Services	12,443	18,220	9,704	9,704	9,704	9,704	9,704
TOTAL GENERAL FUND	\$ 21,795	\$ 28,234	\$ 22,443	\$ 22,321	\$ 21,536	\$ 21,697	\$ 21,580

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 620,000 citizens of the Commonwealth who have physical or mental impairments that present a substantial impediment to employment. During 1999, approximately 78,000 customers with disabilities were referred to or served by the Office of Vocational Rehabilitation.

The Federal Rehabilitation Act of 1973, as amended through 1992, established eligibility criteria for vocational rehabilitation services. Services are provided to individuals 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.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Caseload:							
Carry-over	52,085	52,468	53,663	55,593	58,055	60,984	64,320
New referrals	26,053	26,314	26,577	26,710	26,844	26,977	27,110
Total caseload	78,138	78,782	80,240	82,303	84,899	87,961	91,430
Cases closed:							
Ineligible or plan not initiated	8,099	8,107	8,115	8,123	8,131	8,139	8,147
Placed in private employment	9,982	10,182	10,385	10,593	10,805	11,021	11,241
Placed in noncompetitive employment such as sheltered workshops	361	325	292	263	237	213	192
Nonrehabilitated	7,228	6,505	5,855	5,269	4,742	4,268	3,841
Total cases closed	25,670	25,119	24,647	24,248	23,915	23,641	23,421
Cases Carried Over	52,468	53,663	55,593	58,055	60,984	64,320	68,009
Most Severely Disabled Rehabilitated	10,745	10,960	11,179	11,403	11,631	11,864	12,101
Services for the Visually Impaired:							
Persons who are blind or visually impaired ...	12,609	13,870	15,257	16,783	18,461	20,307	22,338
Persons who are blind or visually impaired placed in employment	455	478	502	527	553	581	610

Totals cases closed including: ineligible or plan not initiated, placed in private employment, placed in noncompetitive employment and nonrehabilitated increased in 1999-00 from the projections shown in last year's budget based on increased referrals and program activity.

Most Severely Disabled Rehabilitated increase from the projections shown in last year's budget because of program expansion.

Labor and Industry

Program: Vocational Rehabilitation (continued)

Program Measures: (continued)	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Economic/client earnings information:							
Average weekly earnings for clients closed as competitively employed	\$299	\$305	\$311	\$317	\$324	\$330	\$337
Total weekly earnings for clients closed as competitively employed (in thousands)	\$2,763	\$2,818	\$2,875	\$2,932	\$2,991	\$3,051	\$3,111
Average taxes paid by competitively employed clients	\$4,042	\$4,124	\$4,205	\$4,286	\$4,380	\$4,462	\$4,556
Total taxes paid by competitively employed clients (in thousands)	\$40,352	\$41,986	\$43,666	\$45,400	\$47,185	\$49,171	\$51,214

Total taxes paid by competitively employed clients increased from the projection shown in last year's budget because of increased placements and earnings.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>\$ 1,940</p> <p>\$ 31</p> <p>\$ 1,054</p> <p>\$ 105</p>	<p>Vocational Rehabilitation Services —Initiative — State Vocational Rehabilitation Program. To provide vocational rehabilitation services to an additional 1,285 individuals.</p> <p>Entrepreneurial Assistance —to continue current program.</p> <p>Transfer to Vocational Rehabilitation Fund —to continue current program.</p> <p>Supported Employment —to continue current program.</p>	<p>\$ 382</p> <p>\$ 81</p> <p>\$ 4</p>	<p>Centers for Independent Living —Initiative — State-Funded Centers for Independent Living. To ensure consistent service quality and core services to an additional 248 individuals.</p> <p>Assistive Technology —to continue current program.</p> <p>Beacon Lodge Camp —to continue current program.</p>
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Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Vocational Rehabilitation Services	\$ 1,998	\$ 2,060	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
Entrepreneurial Assistance	999	1,030	1,061	1,061	1,061	1,061	1,061
Transfer to Vocational Rehabilitation Fund .	34,085	35,148	36,202	36,202	36,202	36,202	36,202
Supported Employment	1,000	1,050	1,155	1,155	1,155	1,155	1,155
Centers for Independent Living	1,160	1,218	1,600	1,600	1,600	1,600	1,600
Assistive Technology	770	809	890	890	890	890	890
Beacon Lodge Camp	124	124	128	128	128	128	128
TOTAL GENERAL FUND	\$ 40,136	\$ 41,439	\$ 45,036	\$ 45,036	\$ 45,036	\$ 45,036	\$ 45,036



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 mainly 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)		
	1999-00	2000-01	2001-02
	ACTUAL	AVAILABLE	BUDGET
<u>GENERAL FUND:</u>			
<i>General Government:</i>			
(F)State College Alcohol Coalition - DOE.....	\$ 36	\$ 127	\$ 86
(F)Community Underage Drinking Project - NHTSA (EA).....	51	0	0
(F)Combat Underage Drinking Grant (EA).....	24	20	0
(F)Combat Underage Drinking College/Community Grants (EA).....	37	75	0
(F)Pennsylvanians Against Underage Drinking Grant (EA).....	300	100	0
Subtotal - Federal Funds.....	448	322	86
Total - General Government.....	<u>\$ 448</u>	<u>\$ 322</u>	<u>\$ 86</u>
GENERAL FUND TOTAL.....	<u>\$ 448</u>	<u>\$ 322</u>	<u>\$ 86</u>
<u>OTHER FUNDS:</u>			
STATE STORES FUND:			
General Operations (EA).....	\$ 230,740	\$ 241,051	\$ 252,367
Malt Beverage Surcharge.....	735	0	0
Underage Drinking Coalition Grant.....	218	143	0
Sale of Vehicles.....	31	0	0
Comptroller Operations (EA).....	7,383	7,604	7,764
Transfer of Profits to General Fund (EA).....	50,000	50,000	120,000
STATE STORES FUND TOTAL.....	<u>\$ 289,107</u>	<u>\$ 298,798</u>	<u>\$ 380,131</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	448	322	86
OTHER FUNDS.....	289,107	298,798	380,131
TOTAL ALL FUNDS.....	<u>\$ 289,555</u>	<u>\$ 299,120</u>	<u>\$ 380,217</u>

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
LIQUOR CONTROL							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	448	322	86	86	86	86	86
OTHER FUNDS.....	289,107	298,798	380,131	388,238	335,476	348,288	361,717
SUBCATEGORY TOTAL.....	\$ 289,555	\$ 299,120	\$ 380,217	\$ 388,324	\$ 335,562	\$ 348,374	\$ 361,803
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	448	322	86	86	86	86	86
OTHER FUNDS.....	289,107	298,798	380,131	388,238	335,476	348,288	361,717
DEPARTMENT TOTAL.....	\$ 289,555	\$ 299,120	\$ 380,217	\$ 388,324	\$ 335,562	\$ 348,374	\$ 361,803

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 that 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 86,000 licensing transactions of all types are processed each year.

Act 14 of 1987 reauthorized the Liquor Control Board and made 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 that threatens the health and safety of the local community, the Liquor Control

Board will refuse to renew its license. As of September 2000, the board has objected to the renewal of over 650 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 (over 2.4 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.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Pennsylvania State Liquor Stores	644	647	650	652	654	656	658
Gross Sales (includes taxes) (in thousands)	\$1,083,331	\$1,155,285	\$1,214,205	\$1,262,773	\$1,313,284	\$1,365,815	\$1,420,448
Alcohol Education Presentations	960	990	1,020	1,053	1,090	1,120	1,130

Gross Sales have been restated from those shown in last year's budget to more accurately reflect actual performance.

Program Recommendations:		This budget recommends the following changes: (Dollar Amounts in Thousands)	
<p>General Operations</p> <p>\$ 1,218 — Initiative — E-Commerce. To expand agency presence on the internet in the areas of alcohol abuse education, retail commerce and licensee commerce.</p> <p>5,107 — Initiative — Store/Wide Area Network Connection. To improve communication and data sharing between State Stores and facilitate e-commerce.</p> <p>4,991 — to continue current program.</p> <hr/> <p>\$ 11,316 <i>Appropriation Increase</i></p>	<p>Comptroller Operations</p> <p>\$ 160 — to continue current program.</p> <p>Transfer of Profits to General Fund</p> <p>\$ 70,000 — increase in amount available for transfer to General Fund.</p>		



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 Veterans Home at Scranton, the Southwestern Veterans Home at Pittsburgh and the Scotland School for Veterans' Children near Chambersburg.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	2001-02 State Funds (in thousands)
Enhancing Information Technology to Better Serve Pennsylvania		
	General Government Operations.....	\$ 1,808
<p>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 \$205.6 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.</p>		
	Department Total.....	<u><u>\$ 1,808</u></u>

Military and Veterans Affairs

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations	\$ 15,599	\$ 16,360	\$ 19,201
(F)Facilities Maintenance.....	6,136	12,892	13,900
(F)September 1999 Storm - Disaster Assistance(EA).....	125	0	0
(F)Employee Support.....	2,183	2,589	4,224
(F)Telecommunications Expansion.....	1,039	1,040	973
(F)Federal Construction Grants(EA).....	25,700	25,700	25,700
(F)Fort Indiantown Gap Base Realignment.....	6,041	7,457	9,384
(A)Rental of Armories and Other Facilities.....	122	122	122
(A)Lt. Governor's Residence.....	13	29	14
(A)Housing Fees.....	61	70	67
(A)Utility Reimbursements.....	296	240	315
(A)Recreational Reimbursements.....	23	42	87
(A)Purchasing Card Rebates.....	4	4	10
Burial Detail Honor Guard	40	40	40
American Battle Monuments	6	20	6
Veterans' Memorial	2,000	2,000	0
World War II National Memorial	2,000	0	0
Armory Maintenance and Repair	1,000	1,250	1,500
Drug Interdiction	11	62	62
Special State Duty	100	100	100
Subtotal.....	\$ 62,499	\$ 70,017	\$ 75,705
Subtotal - State Funds.....	\$ 20,756	\$ 19,832	\$ 20,909
Subtotal - Federal Funds.....	41,224	49,678	54,181
Subtotal - Augmentations.....	519	507	615
Total - General Government.....	\$ 62,499	\$ 70,017	\$ 75,705
Institutional:			
Erie Soldiers and Sailors Home	\$ 5,903	\$ 5,770	\$ 6,467
(F)Operations and Maintenance.....	1,905	2,043	1,990
(F)Medical Reimbursement.....	55	55	55
(A)Aid and Attendance Payments.....	386	402	402
(A)Residents Fees.....	1,810	1,800	1,840
(A)Federal Veterans Centers.....	45	45	0
(A)Purchasing Card Rebates.....	2	0	0
Subtotal.....	\$ 10,106	\$ 10,115	\$ 10,754
Hollidaysburg Veterans Home	19,985	19,558	20,362
(F)Operations and Maintenance.....	6,036	6,969	6,957
(F)Medical Reimbursement.....	183	156	160
(A)Aid and Attendance Payments.....	1,984	2,063	2,150
(A)Residents Fees.....	4,592	4,790	4,885
(A)Rental Receipts.....	1	12	12
(A)Institutional Reimbursements.....	104	0	0
(A)Purchasing Card Rebates.....	3	0	0
Subtotal.....	\$ 32,888	\$ 33,548	\$ 34,526
Southeastern Veterans Home	12,920	11,832	11,937
(F)Operations and Maintenance.....	3,631	4,147	4,253
(F)Medical Reimbursements.....	55	70	70
(A)Aid and Attendance Payments.....	1,058	871	1,164
(A)Residents Fees.....	1,616	2,434	2,235
(A)Purchasing Card Rebates.....	2	0	0
Subtotal.....	\$ 19,282	\$ 19,354	\$ 19,659
Northeastern Veterans Home	6,791	7,250	7,609
(F)Operations and Maintenance.....	3,368	3,407	3,563

Military and Veterans Affairs

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
(F)Medical Reimbursement.....	80	83	83
(A)Aid and Attendance Payments.....	1,027	1,186	972
(A)Residents Fees.....	2,027	1,780	1,928
(A)Purchasing Card Rebates.....	1	0	0
Subtotal.....	\$ 13,294	\$ 13,706	\$ 14,155
Southwestern Veterans Home.....	7,520	7,107	7,970
(F)Operations and Maintenance.....	2,750	3,972	3,887
(F)Medical Reimbursement.....	15	20	25
(A)Aid and Attendance Payments.....	888	1,114	1,114
(A)Residents Fees.....	1,371	2,018	2,144
(A)Purchasing Card Rebates.....	1	0	0
Subtotal.....	\$ 12,545	\$ 14,231	\$ 15,140
Delaware Valley Veterans Home.....	0	0	6,188
(F)Operations and Maintenance.....	0	0	115
(F)Medical Reimbursements.....	0	0	5
(A)Aid and Attendance Payments.....	0	0	32
(A)Residents Fees.....	0	0	48
Subtotal.....	\$ 0	\$ 0	\$ 6,388
Scotland School for Veterans' Children.....	6,943	7,344	7,542
(F)ESEA Education Program.....	157	200	170
(F)School Milk Program.....	179	285	295
(F)Drug Free Schools and Communities - Scotland(EA).....	1	2	2
(F)Technology Literacy Challenge.....	0	0	80
(F)Comprehensive School Reform Demonstration(EA).....	80	0	0
(F)Innovative Education Program Strategies(EA).....	2	0	0
(A)Institutional Reimbursements.....	911	108	108
(A)Tuition Recovery.....	1,000	1,904	1,904
(A)Performance Incentive Award.....	12	0	0
(A)Link to Learn.....	24	30	30
(A)Purchasing Card Rebates.....	1	0	0
Subtotal.....	\$ 9,310	\$ 9,873	\$ 10,131
Subtotal - State Funds.....	\$ 60,062	\$ 58,861	\$ 68,075
Subtotal - Federal Funds.....	18,497	21,409	21,710
Subtotal - Augmentations.....	18,866	20,557	20,968
Total - Institutional.....	\$ 97,425	\$ 100,827	\$ 110,753
Grants and Subsidies:			
Education of Veterans Children.....	\$ 170	\$ 190	\$ 190
Education - National Guard.....	4,720	5,482 ^a	6,000
Veterans Assistance.....	1,095	1,230	1,230
Blind Veterans Pension.....	210	235	235
Paralyzed Veterans Pension.....	388	415	415
National Guard Pension.....	1	5	5
PA Air National Guard.....	25	25	25
Civil Air Patrol.....	300	300	300
Subtotal.....	\$ 6,909	\$ 7,882	\$ 8,400
Total - Grants and Subsidies.....	\$ 6,909	\$ 7,882	\$ 8,400
STATE FUNDS.....	\$ 87,727	\$ 86,575	\$ 97,384
FEDERAL FUNDS.....	59,721	71,087	75,891
AUGMENTATIONS.....	19,385	21,064	21,583
GENERAL FUND TOTAL.....	\$ 166,833	\$ 178,726	\$ 194,858

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
<u>OTHER FUNDS:</u>			
PENNSYLVANIA VETERANS MEMORIAL TRUST FUND:			
Veterans Memorial(EA).....	\$ 3,000	\$ 4,700	\$ 450
STATE TREASURY ARMORY FUND:			
Armory Improvements.....	\$ 1,063	\$ 650	\$ 650
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 87,727	\$ 86,575	\$ 97,384
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	59,721	71,087	75,891
AUGMENTATIONS.....	19,385	21,064	21,583
OTHER FUNDS.....	4,063	5,350	1,100
TOTAL ALL FUNDS.....	\$ 170,896	\$ 184,076	\$ 195,958

^a Includes recommended supplemental appropriation of \$700,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
STATE MILITARY READINESS							
GENERAL FUND.....	\$ 20,756	\$ 19,832	\$ 20,909	\$ 19,228	\$ 19,613	\$ 20,005	\$ 20,405
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	41,224	49,678	54,181	54,181	54,181	54,181	54,181
OTHER FUNDS.....	4,582	5,857	1,715	1,739	1,763	1,790	1,817
SUBCATEGORY TOTAL.....	\$ 66,562	\$ 75,367	\$ 76,805	\$ 75,148	\$ 75,557	\$ 75,976	\$ 76,403
VETERANS HOMES AND SCHOOL							
GENERAL FUND.....	\$ 60,062	\$ 58,861	\$ 68,075	\$ 71,036	\$ 72,457	\$ 73,907	\$ 75,384
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	18,497	21,409	21,710	24,707	25,577	26,070	26,576
OTHER FUNDS.....	18,866	20,557	20,968	21,388	21,818	22,255	22,702
SUBCATEGORY TOTAL.....	\$ 97,425	\$ 100,827	\$ 110,753	\$ 117,131	\$ 119,852	\$ 122,232	\$ 124,662
COMPENSATION AND ASSISTANCE							
GENERAL FUND.....	\$ 6,909	\$ 7,882	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 6,909	\$ 7,882	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400
ALL PROGRAMS:							
GENERAL FUND.....	\$ 87,727	\$ 86,575	\$ 97,384	\$ 98,664	\$ 100,470	\$ 102,312	\$ 104,189
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	59,721	71,087	75,891	78,888	79,758	80,251	80,757
OTHER FUNDS.....	23,448	26,414	22,683	23,127	23,581	24,045	24,519
DEPARTMENT TOTAL.....	\$ 170,896	\$ 184,076	\$ 195,958	\$ 200,679	\$ 203,809	\$ 206,608	\$ 209,465

Military and Veterans Affairs

PROGRAM OBJECTIVE: To achieve and maintain a readiness capability in units of the Pennsylvania National Guard for quick and effective response to State or Federal mobilization.

Program: State Military Readiness

This program provides the administrative, logistical and training support necessary for the Pennsylvania National Guard to maintain requisite readiness capability to serve during emergencies. Such emergencies may result in full or partial mobilization of the Pennsylvania National Guard for State service in the Commonwealth or Federal service anywhere in the world. Costs for military equipment, 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 97 community armories and 6 air bases that serve as training locations for National Guard units. The Commonwealth is responsible for providing for the operation, maintenance and repair of the 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.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Pennsylvania National Guard personnel	20,283	20,330	20,400	20,480	20,600	20,650	20,700
Percentage of authorized strength level	89%	89%	90%	90%	90%	91%	91%

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>\$ 1,808</p> <p>General Government Operations</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>400 —for roof replacement at department headquarters.</p> <p>388 —to continue current program.</p> <p>215 —to perform maintenance on armories.</p> <p>30 —for quality assurance at the veterans homes.</p> <hr/> <p>\$ 2,841 <i>Appropriation Increase</i></p>	<p>\$ -14</p> <p>American Battle Monuments</p> <p>—nonrecurring maintenance on Pennsylvania battle monuments located in France.</p> <p>\$ -2,000</p> <p>Veterans Memorial</p> <p>—nonrecurring contribution to the Pennsylvania Veterans Memorial Trust Fund.</p> <p>\$ 250</p> <p>Armory Maintenance and Repair</p> <p>—for maintenance improvements at logistical facilities throughout the Commonwealth. In addition, \$750,000 in Federal funds is recommended to support this program.</p>
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All other appropriations are recommended at the current year funding levels.

Military and Veterans Affairs

Program: State Military Readiness (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
General Government Operations	\$ 15,599	\$ 16,360	\$ 19,201	\$ 17,486	\$ 17,836	\$ 18,193	\$ 18,557
Burial Detail Honor Guard	40	40	40	41	42	43	44
American Battle Monuments	6	20	6	6	6	6	6
Veterans' Memorial	2,000	2,000	0	0	0	0	0
World War II National Memorial	2,000	0	0	0	0	0	0
Armory Maintenance and Repair	1,000	1,250	1,500	1,530	1,561	1,592	1,624
Drug Interdiction	11	62	62	63	64	65	66
Special State Duty	100	100	100	102	104	106	108
TOTAL GENERAL FUND	\$ 20,756	\$ 19,832	\$ 20,909	\$ 19,228	\$ 19,613	\$ 20,005	\$ 20,405

Military and Veterans Affairs

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.

Northeast Philadelphia is the location of a sixth veterans home that is currently under construction. This facility, the Delaware Valley Veterans Home, will provide 100 skilled nursing beds, 30 beds for dementia care and 40 personal care beds. This state-of-the art facility is expected to open during the latter half of the 2001-02 fiscal year.

The program receives assistance from the Federal Department of Veterans Affairs at levels of \$22.93 per patient day for domiciliary care and \$51.38 per patient day for nursing home care

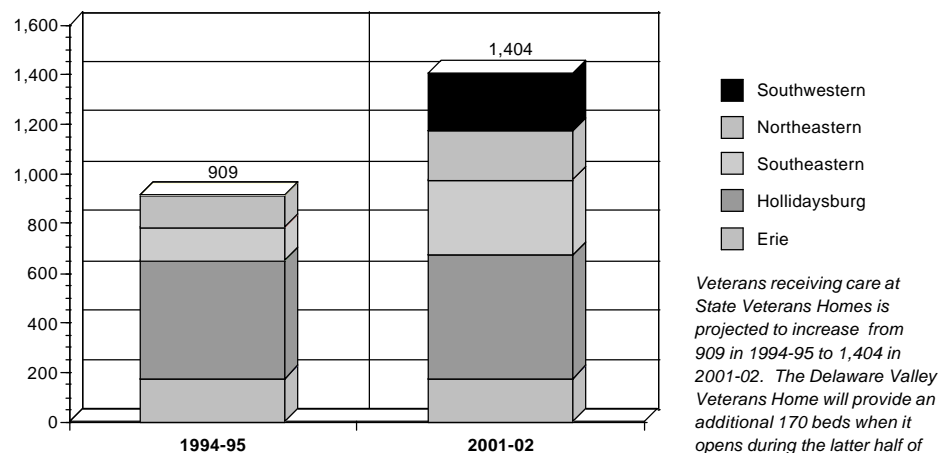
Residents of State veterans homes receive a daily allowance from the Federal Department of Veterans Affairs. Residents use these funds plus their own funds to help offset the cost of their care.

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:

	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Veterans Homes:							
Capacity (December):							
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
Delaware Valley	0	0	0	120	170	170	170
Population (December):							
Erie	157	162	174	174	174	174	174
Hollidaysburg	492	492	500	500	500	500	500
Southeastern	299	297	301	301	301	301	301
Northeastern	197	191	197	197	197	197	197
Southwestern	187	227	232	232	232	232	232
Delaware Valley	0	0	0	120	170	170	170
Scotland School:							
Capacity	370	370	370	370	370	370	370
Population	350	360	360	370	370	370	370

State Veterans Homes
Veterans Receiving Care



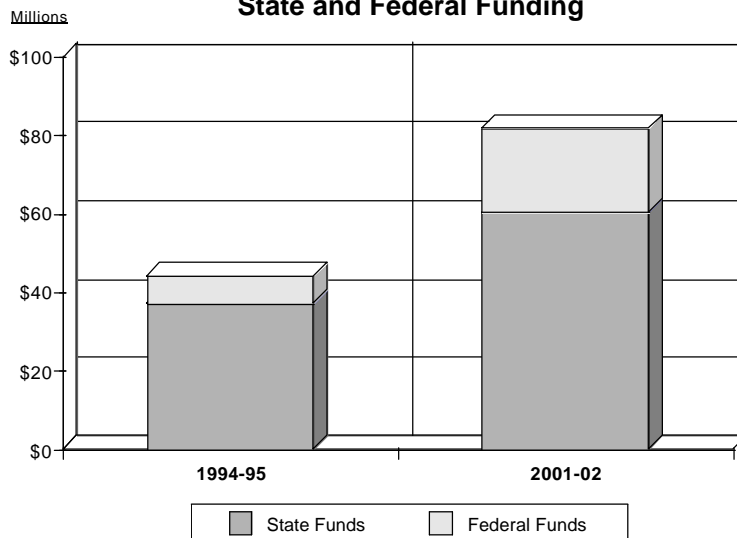
Military and Veterans Affairs

Program: Veterans Homes and School (continued)

Expenditures by Institution: (Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget		1999-00 Actual	2000-01 Available	2001-02 Budget
Erie Soldiers and Sailors Home				Northeastern Veterans Home			
State Funds.....	\$ 5,903	\$ 5,770	\$ 6,467	State Funds.....	\$ 6,791	\$ 7,250	\$ 7,609
Federal Funds.....	1,960	2,098	2,045	Federal Funds.....	3,448	3,490	3,646
Augmentations.....	2,243	2,247	2,242	Augmentations.....	3,055	2,966	2,900
TOTAL.....	\$ 10,106	\$ 10,115	\$ 10,754	TOTAL.....	\$ 13,294	\$ 13,706	\$ 14,155
Holidaysburg Veterans Home				Southwestern Veterans Home			
State Funds.....	\$ 19,985	\$ 19,558	\$ 20,362	State Funds.....	\$ 7,520	\$ 7,107	\$ 7,970
Federal Funds.....	6,219	7,125	7,117	Federal Funds.....	2,765	3,992	3,912
Augmentations.....	6,684	6,865	7,047	Augmentations.....	2,260	3,132	3,258
TOTAL.....	\$ 32,888	\$ 33,548	\$ 34,526	TOTAL.....	\$ 12,545	\$ 14,231	\$ 15,140
Southeastern Veterans Home				Delaware Valley Veterans Home			
State Funds.....	\$ 12,920	\$ 11,832	\$ 11,937	State Funds.....	\$ 0	\$ 0	\$ 6,188
Federal Funds.....	3,686	4,217	4,323	Federal Funds.....	0	0	120
Augmentations.....	2,676	3,305	3,399	Augmentations.....	0	0	80
TOTAL.....	\$ 19,282	\$ 19,354	\$ 19,659	TOTAL.....	\$ 0	\$ 0	\$ 6,388
Scotland School for Veterans Children				The Delaware Valley Veterans Home is scheduled to open during the latter half of the 2001-02 fiscal year.			
State Funds.....	\$ 6,943	\$ 7,344	\$ 7,542				
Federal Funds.....	419	487	547				
Augmentations.....	1,948	2,042	2,042				
TOTAL.....	\$ 9,310	\$ 9,873	\$ 10,131				

Veterans Homes State and Federal Funding



During 2001-02, an estimated \$81.7 million in State and Federal funds will be spent to support the operation of the six State veterans homes.

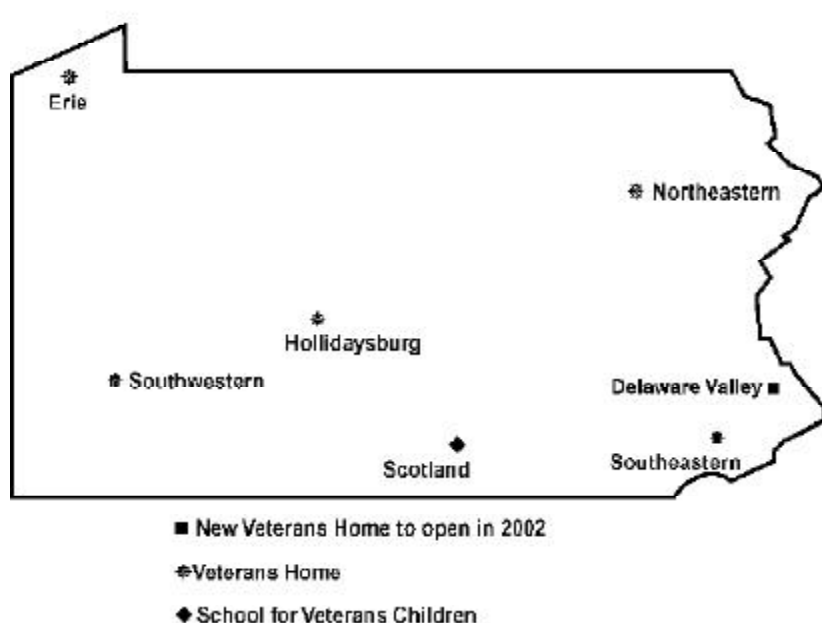
Military and Veterans Affairs

Program: Veterans Homes and School (continued)

Population and Capacity				
Institution	Population Dec 2000	Projected Population Dec 2001	Projected Capacity Dec 2001	Projected Percent of Capacity
Erie Soldiers and Sailors Home.....	162	174	175	99%
Hollidaysburg Veterans Home.....	492	500	514	97%
Southeastern Veterans Home.....	297	301	304	99%
Northeastern Veterans Home.....	191	197	200	99%
Southwestern Veterans Home.....	227	232	236	98%
Scotland School for Veterans Children.....	360	360	370	97%
Total.....	1,729	1,764	1,799	98%

The Delaware Valley Veterans Home is scheduled to open during the latter half of the 2001-02 fiscal year.

Veterans Homes and School



Military and Veterans Affairs

Program: Veterans Homes and School (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Erie Soldiers and Sailors Home</p> <p>\$ 426 —for additional health care. 236 —to continue current program. 35 —for patient care equipment.</p> <hr style="width: 50%; margin-left: 0;"/> <p>\$ 697 <i>Appropriation Increase</i></p> <p>Hollidaysburg Veterans Home</p> <p>\$ 311 —for additional health care. 318 —to continue current program. 175 —for patient care equipment.</p> <hr style="width: 50%; margin-left: 0;"/> <p>\$ 804 <i>Appropriation Increase</i></p> <p>Southeastern Veterans Home</p> <p>\$ 262 —for patient care equipment. 218 —to continue current program. -375 —savings anticipated through the hiring of additional staff to replace contracted nursing care services.</p> <hr style="width: 50%; margin-left: 0;"/> <p>\$ 105 <i>Appropriation Increase</i></p> <p>Northeastern Veterans Home</p> <p>\$ 235 —for additional health care. 57 —to continue current program. 67 —for patient care equipment.</p> <hr style="width: 50%; margin-left: 0;"/> <p>\$ 359 <i>Appropriation Increase</i></p>	<p>Southwestern Veterans Home</p> <p>\$ 372 —for additional health care. 214 —for additional operational costs relating to an increase in resident census. 202 —to continue current program. 75 —for patient care equipment.</p> <hr style="width: 50%; margin-left: 0;"/> <p>\$ 863 <i>Appropriation Increase</i></p> <p>Delaware Valley Veterans Home</p> <p>\$ 6,188 —staffing, operational costs and equipment for the opening of this new facility.</p> <p>Scotland School for Veterans Children</p> <p>\$ 195 —to continue current program. 40 —for equipment purchases. 38 —for additional psychological services. -75 —nonrecurring athletic facility improvements.</p> <hr style="width: 50%; margin-left: 0;"/> <p>\$ 198 <i>Appropriation Increase</i></p>
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Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Erie Soldiers and Sailors Home	\$ 5,903	\$ 5,770	\$ 6,467	\$ 6,596	\$ 6,728	\$ 6,863	\$ 7,000
Hollidaysburg Veterans Home	19,985	19,558	20,362	20,769	21,184	21,608	22,040
Southeastern Veterans Home	12,920	11,832	11,937	12,176	12,420	12,668	12,921
Northeastern Veterans Home	6,791	7,250	7,609	7,761	7,916	8,074	8,235
Southwestern Veterans Home	7,520	7,107	7,970	8,129	8,292	8,458	8,627
Delaware Valley Veterans Home	0	0	6,188	7,912	8,070	8,232	8,397
Scotland School for Veterans' Children	6,943	7,344	7,542	7,693	7,847	8,004	8,164
TOTAL GENERAL FUND	\$ 60,062	\$ 58,861	\$ 68,075	\$ 71,036	\$ 72,457	\$ 73,907	\$ 75,384

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. Act 11 of 2000 enhanced this educational assistance program. Grants are available for full-time students for up to 100 percent 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

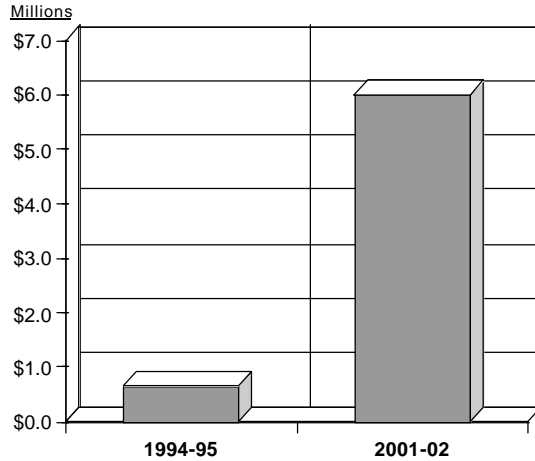
This program provides a pension of \$150 per month to those Pennsylvania veterans who have lost the use of two or more extremities while serving on active duty in the armed forces of the United States during an established war, armed conflict or combat-related activity in peacetime.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Veterans in Pennsylvania	1,263,000	1,256,000	1,246,000	1,236,000	1,226,000	1,216,000	1,206,000
Recipients of veterans emergency assistance	6,294	6,100	6,100	6,000	6,000	6,000	6,000
Recipients of blind veterans pensions	121	130	130	130	130	130	130
Students receiving financial aid	124	132	132	132	132	132	132
National Guard personnel receiving educational financial aid	1,769	2,241	2,577	2,700	2,770	2,770	2,770
Participants in paralyzed veterans programs	215	230	230	230	230	230	230

National Guard personnel receiving educational financial aid is projected to increase because of an enhanced full-time student assistance program implemented in 2000-01.

Program: Compensation and Assistance (continued)

Educational Financial Aid for National Guard Personnel



Educational financial aid for National Guard personnel has increased from \$665,000 in 1994-95 to \$6.0 million recommended for 2001-02 - an increase of over \$5.3 million or 802%.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Education — National Guard
 \$ 518 —for increased reimbursement of educational costs of National Guard personnel.

The budget recommends continuation of all other programs at sufficient levels to carry current programs forward.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Education of Veterans Children	\$ 170	\$ 190	\$ 190	\$ 190	\$ 190	\$ 190	\$ 190
Education — National Guard	4,720	5,482	6,000	6,000	6,000	6,000	6,000
Veterans Assistance	1,095	1,230	1,230	1,230	1,230	1,230	1,230
Blind Veterans Pension	210	235	235	235	235	235	235
Paralyzed Veterans Pension	388	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
TOTAL GENERAL FUND	\$ 6,909	\$ 7,882	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400



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)
 1999-00 2000-01 2001-02
 ACTUAL AVAILABLE BUDGET

MILK MARKETING FUND:

General Government:

General Operations.....	\$	2,359	\$	2,422	\$	2,495
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Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
MILK INDUSTRY REGULATION							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	2,359	2,422	2,495	2,545	2,596	2,648	2,701
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 2,359	\$ 2,422	\$ 2,495	\$ 2,545	\$ 2,596	\$ 2,648	\$ 2,701
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	2,359	2,422	2,495	2,545	2,596	2,648	2,701
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	\$ 2,359	\$ 2,422	\$ 2,495	\$ 2,545	\$ 2,596	\$ 2,648	\$ 2,701

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 1999-00, the supply of milk was 119 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 may be considered. A ratio of 117 percent or less suggests that demand exceeds supply and that prices may be reviewed to provide incentives for expanded production.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Licenses and permits issued	2,975	3,000	3,000	3,000	3,000	3,000	3,000
Audits of milk dealers for compliance with milk sales' rules and regulations	787	770	770	770	770	770	770

Audits of milk dealers for compliance with milk sales' rules and regulations increased from the projections shown in last year's budget because of an increased audit emphasis.

Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

MILK MARKETING FUND	
General Operations	
\$ -18	—nonrecurring fixed assets.
91	—to continue current program.
\$ 73	<i>Appropriation Increase</i>

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
MILK MARKETING FUND:							
General Operations	\$ 2,359	\$ 2,422	\$ 2,495	\$ 2,545	\$ 2,596	\$ 2,648	\$ 2,701



BOARD OF PROBATION AND PAROLE

The mission of the Board of Probation and Parole is to protect the safety of the public, address the needs of crime victims, improve county adult probation and parole services, and assist in the fair administration of justice by ensuring the custody, control and treatment of offenders under the jurisdiction of the Board.

The Board of Probation and Parole rehabilitates and supervises persons on probation or parole, helping them to reintegrate within society. The Board provides for the reintegration of persons who have served their minimum sentence in a correctional institution as well as 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 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.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Title	Appropriation	2001-02 State Funds (in thousands)
Enhancing Information Technology to Better Serve Pennsylvania		
	General Government Operations.....	\$ 4,265
<p>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 \$205.6 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.</p>		
Protecting Public Safety		
	General Government Operations.....	\$ 1,601
<p>This Program Revision provides additional parole support Statewide. This is part of the \$23.9 million Protecting Public Safety 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.</p>		
Department Total.....		\$ 5,866

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

1999-00 2000-01 2001-02
ACTUAL AVAILABLE BUDGET

GENERAL FUND:

General Government:

General Government Operations	\$ 66,519 ^a	\$ 70,022 ^a	\$ 79,417
(F)DCSI - Office of Victim Advocate Automation Enhancement (EA).....	113	0	0
(F)Residential Substance Abuse Treatment (EA).....	284	432	418
(F)DCSI - Residential Substance Abuse Treatment Aftercare (EA).....	111	351	348
(F)DCSI - County SAVE (EA).....	815	897	548
(F)DCSI - Digital Photograph System (EA).....	548	0	0
(F)DCSI - Parole Planning System Automation (EA).....	188	1,575	25
(A)Purchasing Card Rebate.....	2	6	4
(A)State Parole Supervision Fees.....	578	504	600
Subtotal.....	\$ 69,158	\$ 73,787	\$ 81,360
Sexual Offenders Assessment Board	558	2,097	2,799
(F)DCSI - Assessment Board (EA).....	160	0	0
(F)DCSI - Community Notification (EA).....	0	100	100
Subtotal.....	\$ 718	\$ 2,197	\$ 2,899
Drug Offenders Work Program	221	238	278
Subtotal - State Funds.....	\$ 67,298	\$ 72,357	\$ 82,494
Subtotal - Federal Funds.....	2,219	3,355	1,439
Subtotal - Augmentations.....	580	510	604
Total - General Government.....	\$ 70,097	\$ 76,222	\$ 84,537

Grants and Subsidies:

Improvement of Adult Probation Services	\$ 18,703	\$ 18,911	\$ 19,970
(A)County Parole Supervision Fees.....	9,582	8,900	9,300
Subtotal.....	\$ 28,285	\$ 27,811	\$ 29,270
Subtotal - State Funds.....	\$ 18,703	\$ 18,911	\$ 19,970
Subtotal - Augmentations.....	9,582	8,900	9,300
Total - Grants and Subsidies.....	\$ 28,285	\$ 27,811	\$ 29,270

STATE FUNDS.....	\$ 86,001	\$ 91,268	\$ 102,464
FEDERAL FUNDS.....	2,219	3,355	1,439
AUGMENTATIONS.....	10,162	9,410	9,904

GENERAL FUND TOTAL	\$ 98,382	\$ 104,033	\$ 113,807
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OTHER FUNDS:

GENERAL FUND:

Firearms Education and Training Commission.....	\$ 206	\$ 341	\$ 378
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DEPARTMENT TOTAL - ALL FUNDS

GENERAL FUND.....	\$ 86,001	\$ 91,268	\$ 102,464
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	2,219	3,355	1,439
AUGMENTATIONS.....	10,162	9,410	9,904
OTHER FUNDS.....	206	341	378

TOTAL ALL FUNDS	\$ 98,588	\$ 104,374	\$ 114,185
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^a 1999-00 Actual includes \$185,000 actually appropriated as a part of State Match for DCSI Subgrants appropriation in Executive Offices and 2000-01 Available includes \$457,000 actually appropriated as a part of State Match for DCSI Subgrants appropriation in Executive Offices.

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
REINTEGRATION OF THE ADULT OFFENDER							
GENERAL FUND.....	\$ 86,001	\$ 91,268	\$ 102,464	\$ 99,353	\$ 100,941	\$ 102,562	\$ 104,212
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,219	3,355	1,439	714	444	457	471
OTHER FUNDS.....	10,368	9,751	10,282	10,290	10,298	10,306	10,314
SUBCATEGORY TOTAL.....	\$ 98,588	\$ 104,374	\$ 114,185	\$ 110,357	\$ 111,683	\$ 113,325	\$ 114,997
ALL PROGRAMS:							
GENERAL FUND.....	\$ 86,001	\$ 91,268	\$ 102,464	\$ 99,353	\$ 100,941	\$ 102,562	\$ 104,212
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,219	3,355	1,439	714	444	457	471
OTHER FUNDS.....	10,368	9,751	10,282	10,290	10,298	10,306	10,314
DEPARTMENT TOTAL.....	\$ 98,588	\$ 104,374	\$ 114,185	\$ 110,357	\$ 111,683	\$ 113,325	\$ 114,997

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 offenders 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. Act 18 of 2000 substantially amended Act 24. The board is responsible for conducting assessments of convicted sexual offenders. The assessments are provided to district attorneys to assist in the determination, prior to sentencing, of those offenders who may be found by the court to be sexually violent predators. Prior to parole considerations, the Board of Probation and Parole may request assessments of sexually violent predators and sexual offenders. In addition, Act 18 requires the registration of all sexual offenders and sexually violent predators.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Probationers and parolees in caseload:							
County	182,018	184,966	190,627	196,288	201,949	207,610	231,413
State	22,593	23,389	24,082	24,605	24,893	25,087	25,214
Annual addition to caseload population	10,978	11,461	11,800	12,056	12,198	12,293	12,354
Investigative reports completed	22,402	22,424	22,617	22,810	23,006	23,090	23,263

Probationers and parolees in caseload (State) increase from those shown in last year's budget due to projected increases in persons eligible for, and granted, parole as determined by the Population Projections Committee.

Annual addition to caseload population increases from last year's budget due to projected increases in persons eligible for, and granted, parole.

Investigative reports completed increase from those shown in last year's budget due to additional investigations conducted on persons applying for parole.

Program: Reintegration of the Adult Offender (continued)

Program Measures: (continued)	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Annual caseload additions likely to return to prison	3,952	4,125	4,248	4,340	4,391	4,425	4,447
and as a percentage of annual additions to caseload	36%	36%	36%	36%	36%	36%	36%
Average cases per parole agent	64	68	62	64	64	65	65

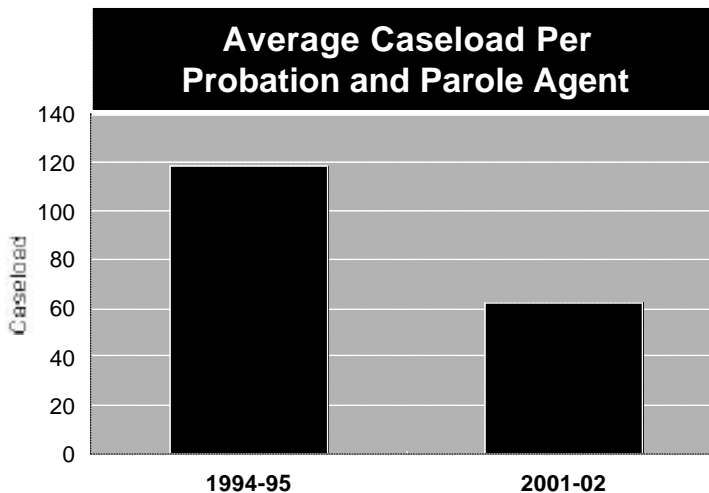
Annual caseload additions likely to return to prison increase from last year's budget is due to projected increases in persons eligible for, and granted, parole.

Average cases per parole agent increase in actual and available years from those shown in last year's budget due to increase in number of parolees.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>General Government Operations</p> <p>\$ 3,177 —to continue current program.</p> <p>352 —increase in State matching funds for Federal grants.</p> <p>4,265 —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>1,601 —PRR — Protecting Public Safety. This Program Revision provides additional administrative support for statewide parole services. See the Program Revision following the Institutionalization of Offenders program in the Department of Corrections for additional information.</p> <hr/> <p>\$ 9,395 <i>Appropriation Increase</i></p>	<p>Sexual Offenders Assessment Board</p> <p>\$ 396 —to continue current program.</p> <p>282 —increase in assessment costs and witness fees.</p> <p>24 —increase in State matching funds for Federal grants.</p> <hr/> <p>\$ 702 <i>Appropriation Increase</i></p> <p>Drug Offenders Work Program</p> <p>\$ 40 —to continue current program.</p> <p>Improvement of Adult Probation Services</p> <p>\$ 1,059 —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 2001-02 are \$9,300,000. This amount will augment State funds of \$19,970,000 and provide \$29,270,000 or 77 percent reimbursement to the counties.</p>
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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 2001-02, it is estimated the average agent's caseload will be 62.

Program: Reintegration of the Adult Offender (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
General Government Operations	\$ 66,519	\$ 70,022	\$ 79,417	\$ 76,266	\$ 77,792	\$ 79,349	\$ 80,935
Sexual Offenders Assessment Board	558	2,097	2,799	2,855	2,912	2,970	3,029
Drug Offenders Work Program	221	238	278	262	267	273	278
Improvement of Adult Probation Services ...	18,703	18,911	19,970	19,970	19,970	19,970	19,970
TOTAL GENERAL FUND	\$ 86,001	\$ 91,268	\$ 102,464	\$ 99,353	\$ 100,941	\$ 102,562	\$ 104,212



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)		
	1999-00	2000-01	2001-02
	ACTUAL	AVAILABLE	BUDGET
<u>GENERAL FUND:</u>			
<i>General Government:</i>			
General Government Operations.....	\$ 3,010	\$ 3,100	\$ 5,320
Digital Equipment Conversion.....	7,800	5,770	0
	<hr/>	<hr/>	<hr/>
Total - General Government.....	\$ 10,810	\$ 8,870	\$ 5,320
<i>Grants and Subsidies:</i>			
Public Television Station Grants.....	\$ 6,418	\$ 6,546	\$ 7,796
	<hr/>	<hr/>	<hr/>
GENERAL FUND TOTAL.....	\$ 17,228	\$ 15,416	\$ 13,116

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
PUBLIC TELEVISION SERVICES							
GENERAL FUND.....	\$ 17,228	\$ 15,416	\$ 13,116	\$ 9,932	\$ 10,000	\$ 10,069	\$ 10,139
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 17,228	\$ 15,416	\$ 13,116	\$ 9,932	\$ 10,000	\$ 10,069	\$ 10,139
ALL PROGRAMS:							
GENERAL FUND.....	\$ 17,228	\$ 15,416	\$ 13,116	\$ 9,932	\$ 10,000	\$ 10,069	\$ 10,139
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	\$ 17,228	\$ 15,416	\$ 13,116	\$ 9,932	\$ 10,000	\$ 10,069	\$ 10,139

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 noncommercial 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, including the member stations, expects to complete conversion efforts by June 30, 2001.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Households watching public television at least once a week	2,857,278	2,900,000	2,900,000	2,900,000	2,950,000	2,950,000	2,950,000
Contributing memberships	246,576	250,000	250,000	255,000	255,000	255,000	260,000

Contributing memberships decrease from the projections shown in last year's budget due to factors such as viewer access to more television channels via cable and satellite transmissions. However, total pledged dollars increased 2.68 percent from 1998-99 to 1999-2000.

Program: Public Television Services (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>\$ 220 2,000</p> <hr/> <p>\$ 2,220</p>	<p>General Government Operations —to continue current program. —Initiative — Video/Telecommunications Transition. To provide the necessary equipment to connect to the new Commonwealth communications system.</p> <p>Digital Equipment Conversion —nonrecurring costs of converting last remaining public television stations from analog to digital signal broadcasting.</p>	<p>1,250</p>	<p>Public Television Station Grants —Initiative — Educational Programming Development. To produce and deliver K-12 education and workforce training direct to learners at home and to employees at their workplaces via digital television programming.</p>
<p><i>Appropriation Increase</i></p>			

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
General Government Operations	\$ 3,010	\$ 3,100	\$ 5,320	\$ 3,386	\$ 3,454	\$ 3,523	\$ 3,593
Digital Equipment Conversion	7,800	5,770	0	0	0	0	0
Public Television Station Grants	6,418	6,546	7,796	6,546	6,546	6,546	6,546
TOTAL GENERAL FUND	\$ 17,228	\$ 15,416	\$ 13,116	\$ 9,932	\$ 10,000	\$ 10,069	\$ 10,139



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)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
<u>GENERAL FUND:</u>			
<i>General Government:</i>			
(R)General Government Operations.....	\$ 40,111	\$ 41,950	\$ 42,127
(R)First Class City Taxicab Regulation (EA).....	1,315	1,804	1,837
(F)Natural Gas Pipeline Safety.....	250	300	300
(F)Motor Carrier Safety (EA).....	875	705	705
Subtotal - Federal Funds.....	1,125	1,005	1,005
Subtotal - Restricted Revenues.....	41,426	43,754	43,964
Total - General Government.....	\$ 42,551	\$ 44,759	\$ 44,969
FEDERAL FUNDS.....	1,125	1,005	1,005
RESTRICTED REVENUES.....	41,426	43,754	43,964
GENERAL FUND TOTAL.....	\$ 42,551	\$ 44,759	\$ 44,969

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
REGULATION OF PUBLIC UTILITIES							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,125	1,005	1,005	1,005	1,005	1,005	1,005
OTHER FUNDS.....	41,426	43,754	43,964	44,844	45,740	46,655	47,588
SUBCATEGORY TOTAL.....	\$ 42,551	\$ 44,759	\$ 44,969	\$ 45,849	\$ 46,745	\$ 47,660	\$ 48,593
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,125	1,005	1,005	1,005	1,005	1,005	1,005
OTHER FUNDS.....	41,426	43,754	43,964	44,844	45,740	46,655	47,588
DEPARTMENT TOTAL.....	\$ 42,551	\$ 44,759	\$ 44,969	\$ 45,849	\$ 46,745	\$ 47,660	\$ 48,593

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 7,965 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 1999-00, the Public Utility Commission completed 35 fixed utility rate cases. Rate increases of nearly \$44 million were allowed. Rate increases of \$2 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.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Utilities regulated:							
Fixed utilities:							
Electric distribution	16	16	16	16	16	16	16
Electric generation	91	95	100	107	115	122	129
Other	1,214	1,254	1,294	1,334	1,364	1,394	1,414
Transportation	6,644	6,600	6,600	6,600	6,600	6,600	6,600
Rate requests received:							
Fixed utilities	24	28	28	28	28	28	28
Transportation	81	100	100	100	100	100	100
Rate cases completed:							
Fixed utilities	24	28	28	28	28	28	28
Transportation	81	100	100	100	100	100	100
Audits conducted:							
Fixed utilities:							
Financial	32	35	40	41	33	33	33
Energy fuel	27	57	44	37	37	37	37
Management	10	9	7	7	7	7	7

Electric generation utilities regulated decreased from those shown in last year's budget because of sales and mergers of companies.

Rate requests received and cases completed in 1999-00 decreased from the projections shown in last year's budget primarily due to fluctuations in the new competitive markets. All received requests were completed.

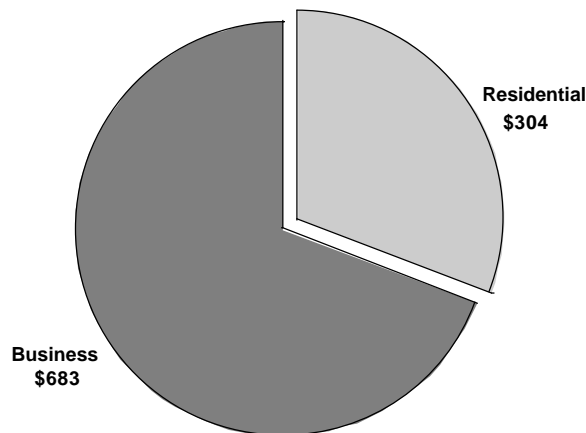
Program: Regulation of Public Utilities (continued)

Program Measures: (continued)	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Enforcement/investigations:							
Fixed utilities	854	950	950	950	950	950	950
Transportation:							
Rail safety	32,333	34,000	34,000	34,000	34,000	34,000	34,000
Motor safety	21,487	20,000	20,000	20,000	20,000	20,000	20,000
Consumer services:							
Fixed utilities:							
Complaints received, investigated and resolved	87,000	95,000	95,000	95,000	95,000	95,000	95,000
Electric deregulation:							
Homes eligible to participate (thousands)	4,600	4,600	4,600	4,600	4,600	4,600	4,600
Businesses eligible to participate (thousands)	700	700	700	700	700	700	700
Estimated savings:							
Homes (millions)	\$327	\$306	\$304	\$313	\$353	\$389	\$426
Businesses (millions)	\$735	\$687	\$683	\$703	\$792	\$874	\$958

Energy fuel audits conducted decreased and management audits conducted increased in 1999-00 from those shown in last year's budget due to a shift in management priorities.

Estimated customer savings by homes eligible to participate in electric deregulation are less than those shown in last year's budget while estimated savings by businesses from electric deregulation are greater than shown in last year's budget because of variations in supply and demand.

2001-02
Customer Savings
as a Result of Electric Competition
(Dollar Amounts in Millions)



In 2001-02, customer savings as a result of electric competition will approach \$1 billion.

Program Recommendations:

This budget recommends the following from restricted accounts:
(Dollar Amounts in Thousands)

	General Government Operations	
\$ -700	— nonrecurring leases and moving expenses.	
<u>877</u>	— to continue current program.	
\$ 177	<i>Appropriation Increase</i>	

	First Class City Taxicab Regulation	
\$ 33	— 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	2001-02 State Funds (in thousands)
Protecting Public Safety		
	Mental Health Services.....	\$ 2,500

This Program Revision increases the availability of behavioral health services for criminal offenders with a dual diagnosis of mental illness and substance abuse problems who are on parole. This is part of the \$23.9 million Protecting Public Safety 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.

Promoting Self-Sufficiency and Responsibility

	New Directions.....	\$ 1,170
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This Program Revision expands the availability of employment and training, housing and asset building opportunities for welfare recipients and low-income families. A total of \$59.3 million in State and Federal funds is provided for this Program Revision across two agencies.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Title	Appropriation	2001-02 State Funds (in thousands)
Expanding Home and Community-Based Services		
GENERAL FUND		
	General Government Operations.....	\$ 500
	Mental Health Services.....	14,555
	Community Mental Retardation Services.....	36,255
	Services to Persons with Disabilities.....	1,536
	Attendant Care.....	<u>800</u>
	General Funds Total.....	<u>\$ 53,646</u>
TOBACCO SETTLEMENT FUND		
	Nursing Home Alternatives.....	<u>\$ 9,682</u>
	Program Revision Subtotal.....	<u><u>\$ 63,328</u></u>
<p>This Program Revision expands the availability of home and community-based services for persons with mental retardation, individuals with disabilities and older Pennsylvanians; provides home and community-based mental health services for persons currently residing in State mental hospitals; and implements direct careworker recruitment and retention initiatives. A total of \$155.7 million in State, Federal and other funds is provided for this Program Revision across two agencies.</p>		
	Department Total.....	<u><u>\$ 66,998</u></u>

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

1999-00 ACTUAL 2000-01 AVAILABLE 2001-02 BUDGET

GENERAL FUND:

General Government:

General Government Operations.....	\$ 52,028 a	\$ 53,236 b	\$ 56,157
(F)Child Welfare Services - Administration.....	2,055	2,055	2,055
(F)Child Welfare - Title IV-E - Administration.....	2,269	2,600 c	2,737
(F)CCDFBG - Administration.....	2,720	3,854	10,981
(F)Medical Assistance - Administration.....	16,338 d	21,883	23,285
(F)TANFBG - Administration.....	4,724	4,724	5,224
(F)Food Stamps - Administration.....	3,985	4,300 e	4,597
(F)Developmental Disabilities - Basic Support.....	4,090	4,090	4,090
(F)Refugees and Persons Seeking Asylum - Administration.....	1,075	1,230	1,246
(F)Disabled Education - Administration.....	1,125	1,262	1,264
(F)MHSBG - Administration.....	98	98	98
(F)SSBG - Administration.....	3,691	3,691	3,691
(F)Training - Lead-Based Paint Abatement.....	82	132	136
(F)Community Based Family Resource and Support - Administration.....	242	676	689
(A)Training Reimbursement.....	456	501	501
(A)Child Abuse Reviews.....	2,858	3,299	3,759
(A)Miscellaneous Reimbursements.....	98	100	100

Subtotal..... **\$ 97,934 \$ 107,731 \$ 120,610**

Information Systems.....	26,739 f	32,502	45,604
(F)Medical Assistance - Information Systems.....	19,367	24,268	44,514
(F)Child Welfare - Title IV-E - Information Systems.....	1,018	1,886	2,677
(F)TANFBG - Information Systems.....	2,788	5,082 g	5,738
(F)Food Stamps - Information Systems.....	5,511	7,055	9,091
(F)Child Support Enforcement - Information Systems.....	595	1,036	762
(A)Intergovernmental Transfer - Technology.....	0	0	4,650
(A)Sale to Outsourcer.....	300	0	0

Subtotal..... **\$ 56,318 \$ 71,829 \$ 113,036**

County Administration - Statewide.....	44,903 h	45,664	47,280
(F)TANFBG - Statewide.....	2,892	2,802	4,421
(F)Medical Assistance - Statewide.....	31,906 i	49,602 j	50,600
(F)Food Stamps - Statewide.....	6,862 k	10,590 l	13,047
(F)Ryan White - Statewide.....	6	830 m	30
(F)Aug 1999 Storm Disaster-Individual & Family Assistance Adm.....	23	0	0
(F)Sept 1999 Storm Disaster-Individual & Family Assistance Adm.....	150	0	0
(A)Fee for Material from Outside Vendors.....	43	40	40
(A)Benefits Information Exchange.....	0	5	5
(A)Food Stamps - Retained Collections.....	2,761	2,750	2,916
(A)Intergovernmental Transfer.....	980	641	315

Subtotal..... **\$ 90,526 \$ 112,924 \$ 118,654**

County Assistance Offices.....	254,171 n	258,670	255,137
(F)TANFBG - County Assistance.....	45,361	46,241	49,844
(F)Medical Assistance - County Assistance.....	59,448 o	68,494 p	77,129
(F)Food Stamps - County Assistance.....	56,628 q	63,135	67,533
(F)SSBG - County Assistance.....	6,262	6,262	6,262
(F)LIHEABG - Administration.....	6,535	6,900 r	7,529

Subtotal..... **\$ 428,405 \$ 449,702 \$ 463,434**

Child Support Enforcement.....	18,734 s	19,716	20,151
(F)TANFBG - Child Support Enforcement.....	0	0	1,850
(F)Child Support Enforcement - Title IV - D.....	82,716	137,363	135,618
(A)Title IV - D Incentive Collections.....	615	1,795	3,974
(A)Restitutions and Overpayments.....	293	0	0
(A)Food Stamp Collections.....	166	166	0
(A)State Retained Support Collections.....	2,341	2,341	2,341

Subtotal..... **\$ 104,865 \$ 161,381 \$ 163,934**

New Directions.....	85,046 t	72,644	73,218
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Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
(F)TANFBG - New Directions.....	59,921	54,906 ^u	128,921
(F)Medical Assistance - New Directions.....	3,584 ^v	5,114 ^w	5,119
(F)Food Stamps - New Directions.....	18,869 ^x	25,900	11,931
(F)Welfare to Work.....	41,358	39,768	42,600
(A)Single Point of Contact Health Insurance Program.....	0	1	0
Subtotal.....	\$ 208,778	\$ 198,333	\$ 261,789
Subtotal - State Funds.....	\$ 481,621	\$ 482,432	\$ 497,547
Subtotal - Federal Funds.....	494,294	607,829	725,309
Subtotal - Augmentations.....	10,911	11,639	18,601
Total - General Government.....	\$ 986,826	\$ 1,101,900	\$ 1,241,457
Institutional:			
Youth Development Institutions and Forestry Camps.....	\$ 72,487^y	\$ 65,663	\$ 65,339
(F)SSBG - Basic Institutional Program.....	1,056	1,056	1,056
(F)Food Nutrition Services.....	750	750	750
(F)TANFBG - Youth Development Center.....	0	6,907	6,907
(F)DFSC - Special Programs - Juvenile Aftercare Services (EA).....	1,225	1,225	1,225
(F)DCSI - YDC/YFC Review and Assessment (EA).....	37	0	0
(F)DCSI - Medical and Psychiatric Services (EA).....	24	0	0
(F)DCSI - Training Academy (EA).....	0	35	23
(A)Cafeteria Reimbursements.....	3	12	5
(A)Institutional Reimbursements.....	4	29	5
(A)School Lunch Program.....	0	29	0
Subtotal.....	\$ 75,586	\$ 75,706	\$ 75,310
Mental Health Services.....	592,168^z	597,074^{aa}	626,868
(F)Medical Assistance - Mental Health.....	199,078 ^{bb}	214,733	211,614
(F)Medicare Services - State Mental Hospitals.....	16,517	15,966	12,500
(F)Homeless Mentally Ill.....	850	1,104	1,104
(F)MHSBG - Community Mental Health Services.....	11,926	16,244	14,254
(F)SSBG - Community Mental Health Services.....	14,808	14,808	14,808
(F)Behavioral Health - MIS.....	63	0	0
(F)Child and Adolescent Services System (EA).....	150	150	0
(F)Crisis Counseling.....	124	0	0
(A)Cafeteria Reimbursements.....	49	51	51
(A)Institutional Collections.....	13,740	12,472	12,060
(A)Miscellaneous Institutional Reimbursements.....	22	22	22
(A)Intergovernmental Transfer.....	14,449	16,154	8,000
Subtotal.....	\$ 863,944	\$ 888,778	\$ 901,281
State Centers for the Mentally Retarded.....	125,589^{cc}	116,224	110,321
(F)Medical Assistance - State Centers.....	140,384	131,147 ^{dd}	129,302
(F)Medicare Services - State Centers.....	712	933 ^{ee}	592
(A)Institutional Collections - State Centers.....	11,862	10,046	9,781
(A)Institutional Reimbursements.....	0	40	20
Subtotal.....	\$ 278,547	\$ 258,390	\$ 250,016
Subtotal - State Funds.....	\$ 790,244	\$ 778,961	\$ 802,528
Subtotal - Federal Funds.....	387,704	405,058	394,135
Subtotal - Augmentations.....	40,129	38,855	29,944
Total - Institutional.....	\$ 1,218,077	\$ 1,222,874	\$ 1,226,607
Grants and Subsidies:			
Cash Grants.....	\$ 314,980^{ff}	\$ 297,708^{ff}	\$ 262,340
1999 Storm Disaster Assistance.....	5,000	0	0
(F)TANFBG - Cash Grants.....	324,681	267,559 ^{gg}	282,447
(F)CCDFBG - Cash Grants.....	154,708	95,073 ^{hh}	90,032
(F)Other Federal Support - Cash Grants.....	14,568	14,568	14,568
(F)LIHEABG - Low-Income Families and Individuals.....	102,539	150,126 ⁱⁱ	120,000
(F)Aug. 1999 Storm Disaster - Individual and Family Assistance.....	450	0	0
(F)Sept. 1999 Storm Disaster - Individual and Family Assistance.....	3,000	0	0

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
(A)Incentive Collections - Cash Grants.....	0	0	500
Subtotal.....	\$ 919,926	\$ 825,034	\$ 769,887
Supplemental Grants - Aged, Blind and Disabled.....	130,329	131,492	144,294
(A)Intergovernmental Transfer.....	26,810	26,985	26,985
Subtotal.....	\$ 157,139	\$ 158,477	\$ 171,279
Medical Assistance - Outpatient.....	622,669	634,257^{jj}	537,224
(F)Medical Assistance - Outpatient.....	710,963	696,119 ^{kk}	760,367
(A)Intergovernmental Transfer.....	0	0	106,576
Subtotal.....	\$ 1,333,632	\$ 1,330,376	\$ 1,404,167
Medical Assistance - Inpatient.....	392,528	380,788^{ll}	364,684
(F)Medical Assistance - Inpatient.....	465,311	445,641 ^{mm}	441,510
Subtotal.....	\$ 857,839	\$ 826,429	\$ 806,194
Medical Assistance - Capitation.....	1,384,763	1,515,244	1,757,485
(F)Medical Assistance - Capitation.....	1,479,121	1,648,031 ⁿⁿ	1,992,384
Subtotal.....	\$ 2,863,884	\$ 3,163,275	\$ 3,749,869
Long-Term Care.....	693,625	762,100^{oo}	659,964
(F)Medical Assistance - Long-Term Care.....	1,977,376	2,062,269 ^{pp}	1,820,799
(A)Intergovernmental Transfer.....	955,283	979,798	873,629
Subtotal.....	\$ 3,626,284	\$ 3,804,167	\$ 3,354,392
Medical Assistance - Transportation.....	21,578	24,863	31,148
(F)Medical Assistance - Transportation.....	19,225	22,129	24,699
Subtotal.....	\$ 40,803	\$ 46,992	\$ 55,847
Expanded Medical Services for Women.....	8,348	8,516	8,686
AIDS Special Pharmaceutical Services.....	9,365	9,365	9,365
(F)AIDS - Ryan White.....	15,006	17,588	18,078
Subtotal.....	\$ 24,371	\$ 26,953	\$ 27,443
Special Pharmaceutical Services.....	3,278	4,956	5,673
Behavioral Health Services.....	41,125	46,970	47,909
(A)Intergovernmental Transfer.....	17,107	17,107	17,107
Subtotal.....	\$ 58,232	\$ 64,077	\$ 65,016
Psychiatric Services in Eastern PA.....	5,300	3,500	0
Mental Health Advocacy Program.....	0	400	0
Intermediate Care Facilities - Mentally Retarded.....	97,931	107,654	105,034
(F)Medical Assistance - ICF/MR.....	109,858	124,699	125,280
Subtotal.....	\$ 207,789	\$ 232,353	\$ 230,314
Community Mental Retardation Services.....	527,401	578,663	649,534
(F)Medical Assistance - Community MR Services.....	364,263	454,655 ^{qq}	567,637
(F)SSBG - Community MR Services.....	13,984	13,984	13,984
(A)Intergovernmental Transfer.....	258	5,000	5,000
Subtotal.....	\$ 905,906	\$ 1,052,302	\$ 1,236,155
Early Intervention.....	43,560	54,503^{rr}	59,628
(F)SSBG - Early Intervention.....	2,195	2,195	2,195
(F)Medical Assistance - Early Intervention.....	11,386	13,941	14,661
(F)Education for Children with Disabilities.....	12,242	12,242	12,483
Subtotal.....	\$ 69,383	\$ 82,881	\$ 88,967
Pennhurst Dispersal.....	2,992	3,052	3,102
MR Residential Services - Lansdowne.....	461	469	402
County Child Welfare.....	431,245	470,212	559,997
(F)Child Welfare Services.....	13,115	13,482	12,870

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
(F)Child Welfare - Title IV-E.....	349,237	395,813	344,835
(F)Medical Assistance - Child Welfare.....	2,904	2,904	3,809
(F)TANFBG - Child Welfare.....	220,000	262,995 ^{ss}	244,000
(F)SSBG - Child Welfare.....	12,021	12,021	12,021
(F)Child Welfare Training and Certification.....	9,432	10,110	13,499
(F)Community Based Family Resource and Support.....	1,024	306	130
Subtotal.....	\$ 1,038,978	\$ 1,167,843	\$ 1,191,161
Community Based Family Centers.....	3,122	3,184	3,248
(F)Family Preservation - Family Centers.....	6,212	6,212	6,336
(F)Family Resource & Support - Family Centers.....	1,000	1,000	471
Subtotal.....	\$ 10,334	\$ 10,396	\$ 10,055
Child Care Services.....	58,513	59,683	59,683
(F)CCDFBG - Child Care.....	89,544	130,709	135,401
(F)CCDFBG - School Age.....	2,329	1,260	1,260
(F)SSBG - Child Care.....	30,977	30,977	30,977
(F)Head Start Collaboration Project.....	300	350 ^{tt}	300
(F)TANFBG - Child Care Services.....	0	0	2,000
Subtotal.....	\$ 181,663	\$ 222,979	\$ 229,621
Domestic Violence.....	11,449	11,678	11,912
(F)Family Violence Prevention Services.....	3,400	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	3,500
(F)DFSC - Special Programs for Domestic Violence (EA).....	425	425	425
(A)Marriage Law Fees.....	733	733	733
Subtotal.....	\$ 17,862	\$ 18,091	\$ 21,325
Rape Crisis.....	5,728	5,843	6,067
(F)PHHSBG - Rape Crisis.....	2,353	2,353	2,246
(F)SSBG - Rape Crisis.....	634	634	634
(F)TANFBG - Rape Crisis.....	300	300	1,300
(F)DFSC - Special Programs for Rape Crisis (EA).....	142	142	142
Subtotal.....	\$ 9,157	\$ 9,272	\$ 10,389
Breast Cancer Screening.....	1,220	1,545	1,575
(F)SSBG - Family Planning.....	3,845	3,845	3,845
Subtotal.....	\$ 5,065	\$ 5,390	\$ 5,420
Human Services Development Fund.....	35,374	36,081	36,803
(F)Refugees and Persons Seeking Asylum - Social Services.....	6,000	6,123	6,458
(A)Intergovernmental Transfer.....	600	722	0
Subtotal.....	\$ 41,974	\$ 42,926	\$ 43,261
Legal Services.....	2,499	2,549	2,600
(F)SSBG - Legal Services.....	5,049	5,049	5,049
Subtotal.....	\$ 7,548	\$ 7,598	\$ 7,649
Homeless Assistance.....	23,221^{uu}	23,737^{uu}	24,212
(F)SSBG - Homeless Services.....	2,183	2,183	2,183
(F)Homeless Services - SABG.....	1,983	1,983	1,983
(F)TANFBG - Homeless Assistance.....	0	0	2,000
Subtotal.....	\$ 27,387	\$ 27,903	\$ 30,378
Services to Persons with Disabilities.....	8,197	9,983	11,721
(F)SSBG - Services to Persons with Disabilities.....	120	120	120
(F)Medical Assistance - Services to Persons with Disabilities.....	8,425	14,316	19,017
(A)Intergovernmental Transfer.....	0	4,820	9,256
Subtotal.....	\$ 16,742	\$ 29,239	\$ 40,114
Attendant Care.....	22,837	23,300	24,566

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
(F)SSBG - Attendant Care.....	6,971	6,971	6,971
(F)Medical Assistance - Attendant Care.....	15,162	15,867	17,508
(A)Attendant Care Parking Fines.....	0	103	103
(A)Intergovernmental Transfer.....	4,500	3,450	9,387
Subtotal.....	\$ 49,470	\$ 49,691	\$ 58,535
Respite Care.....	0	0	2,500
Acute Care Hospitals.....	8,200	19,550	8,200
Citizenship Services.....	300	0	0
Arsenal Family and Children's Center.....	160	160	160
Subtotal - State Funds.....	\$ 4,917,298	\$ 5,232,005	\$ 5,399,716
Subtotal - Federal Funds.....	6,577,818	6,974,524	7,187,169
Subtotal - Augmentations.....	1,005,291	1,038,718	1,049,276
Total - Grants and Subsidies.....	\$ 12,500,407	\$ 13,245,247	\$ 13,636,161
STATE FUNDS.....	\$ 6,189,163	\$ 6,493,398	\$ 6,699,791
FEDERAL FUNDS.....	7,459,816	7,987,411	8,306,613
AUGMENTATIONS.....	1,056,331	1,089,212	1,097,821
GENERAL FUND TOTAL.....	\$ 14,705,310	\$ 15,570,021	\$ 16,104,225
<u>TOBACCO SETTLEMENT FUND:</u>			
<i>Grants and Subsidies:</i>			
Medical Care for Workers with Disabilities.....	\$ 0	\$ 17,294^{vv}	\$ 25,766
(F)Medical Assistance - Workers with Disabilities.....	0	20,624 ^{ww}	30,728
Subtotal.....	\$ 0	\$ 37,918	\$ 56,494
Uncompensated Care.....	0	22,756^{xx}	33,902
(F)Medical Assistance - Uncompensated Care.....	0	9,753 ^{yy}	14,529
Subtotal.....	\$ 0	\$ 32,509	\$ 48,431
Nursing Home Alternatives.....	0	23,893^{zz}	17,687
(F)Medical Assistance - Nursing Home Alternatives.....	0	27,678 ^{ba}	21,091
Subtotal.....	\$ 0	\$ 51,571	\$ 38,778
Subtotal - State Funds.....	\$ 0	\$ 63,943	\$ 77,355
Subtotal - Federal Funds.....	0	58,055	66,348
Total - Grants and Subsidies.....	\$ 0	\$ 121,998	\$ 143,703
STATE FUNDS.....	\$ 0	\$ 63,943	\$ 77,355
FEDERAL FUNDS.....	0	58,055	66,348
TOBACCO SETTLEMENT FUND TOTAL.....	\$ 0	\$ 121,998	\$ 143,703
<u>OTHER FUNDS:</u>			
GENERAL FUND:			
Annie E. Casey.....	\$ 2	\$ 907	\$ 693
CHILDREN'S TRUST FUND:			
Children's Trust Fund (EA).....	\$ 1,850	\$ 1,850	\$ 1,850
ENERGY CONSERVATION AND ASSISTANCE FUND:			
Low Income Energy Assistance.....	\$ 1,600	\$ 1,300	\$ 918
EMERGENCY MEDICAL SERVICES OPERATING FUND:			
Head Injury Support.....	\$ 0	\$ 449	\$ 898

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 6,189,163	\$ 6,493,398	\$ 6,699,791
SPECIAL FUNDS.....	0	63,943	77,355
FEDERAL FUNDS.....	7,459,816	8,045,466	8,372,961
AUGMENTATIONS.....	1,056,331	1,089,212	1,097,821
OTHER FUNDS.....	3,452	4,506	4,359
TOTAL ALL FUNDS.....	\$ 14,708,762	\$ 15,696,525	\$ 16,252,287

This budget reflects complement realignments in both 2000-01 and 2001-02 among a number of appropriations to reflect programmatic assignments. The revised complement is shown in Section I, the Complement section within this document. Actual year adjustments to dollar amounts have been made as detailed in the footnotes below to show comparable costs.

- ^a 1999-00 Actual includes \$11,045,000 actually appropriated as part of Information Systems (\$500,000), County Administration - Statewide (\$2,491,000), Child Support Enforcement (\$315,000), Mental Health Services (\$5,440,000) and State Centers for the Mentally Retarded (\$2,299,000) appropriations.
- ^b 2000-01 Available includes \$987,000 actually appropriated as part of Mental Health Services.
- ^c Includes recommended supplemental appropriation of \$149,000.
- ^d 1999-00 Actual includes \$251,000 actually appropriated as part of Mental Health Services.
- ^e Includes recommended supplemental appropriation of \$300,000.
- ^f 1999-00 Actual actually appropriated as \$27,239,000. Amount is net of transfer to General Government Operations (\$500,000).
- ^g Includes recommended supplemental appropriation of \$1,076,000.
- ^h 1999-00 Actual 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.
- ⁱ 1999-00 Actual includes \$1,025,000 actually appropriated as part of County Assistance Offices (\$204,000), Child Support Enforcement (\$808,000) and New Directions (\$13,000).
- ^j Includes recommended supplemental appropriation of \$1,408,000.
- ^k 1999-00 Actual includes \$145,000 actually appropriated as part of County Assistance Offices (\$133,000) and New Directions (\$12,000).
- ^l Includes recommended supplemental appropriation of \$2,718,000.
- ^m Includes recommended supplemental appropriation of \$800,000.
- ⁿ 1999-00 Actual actually appropriated as \$254,837,000. Amount shown are net of transfer to County Administration - Statewide.
- ^o 1999-00 Actual actually appropriated as \$59,652,000. Amount shown are net of transfer to County Administration - Statewide.
- ^p Includes recommended supplemental appropriation of \$2,292,000.
- ^q 1999-00 Actual actually appropriated as \$56,761,000. Amount shown is net of transfer to County Administration - Statewide.
- ^r Includes recommended supplemental appropriation of \$841,000.
- ^s 1999-00 Actual actually appropriated as \$20,573,000. Amount shown is net of transfer to County Administration - Statewide and General Government Operations.
- ^t 1999-00 Actual 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).
- ^u Actually appropriated as \$65,706,000. Amount shown is the best current estimate of the amount available for 2000-01. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.
- ^v 1999-2000 Actual actually appropriated as \$3,597,000. Amount shown is net of transfer to County Administration - Statewide.
- ^w Includes recommended supplemental appropriation of \$1,014,000.
- ^x 1999-2000 Actual actually appropriated as \$18,881,000. Amount shown is net of transfer to County Administration - Statewide.

Footnotes to Summary by Fund and Appropriation

- ^y 1999-2000 Actual actually appropriated as \$73,632,000. Amount shown is net of transfer to Mental Health Services.
- ^z 1999-2000 Actual actually appropriated as \$596,463,000. Amount shown is net of transfer to General Government Operations (\$5,440,000) and includes \$1,145,000 transferred from Youth Development Institutions and Forestry Camps.
- ^{aa} 2000-01 Available actually appropriated as \$598,061,000. Amount shown is net of transfer to General Government Operations.
- ^{bb} 1999-2000 Actual actually appropriated as \$199,329,000. Amount shown is net of transfer to General Government Operations.
- ^{cc} 1999-2000 Actual actually appropriated as \$127,888,000. Amount shown is net of transfer to General Government Operations.
- ^{dd} Includes recommended supplemental appropriation of \$394,000.
- ^{ee} Includes recommended supplemental appropriation of \$371,000.
- ^{ff} 1999-2000 Actual and 2000-01 Available amounts include \$3,586,000 actually appropriated as part of Homeless Assistance.
- ^{gg} Actually appropriated as \$286,359,000. Amount shown is the best current estimate of the amount available for 2000-01. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.
- ^{hh} Actually appropriated as \$158,205,000. Amount shown is the best current estimate of the amount available for 2000-01. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.
- ⁱⁱ Includes recommended supplemental appropriation of \$66,000,000.
- ^{jj} Includes recommended supplemental appropriation of \$21,680,000.
- ^{kk} Actually appropriated as \$717,467,000. Amount shown is the best current estimate of the amount available for 2000-01. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.
- ^{ll} Includes recommended supplemental appropriation of \$3,092,000.
- ^{mm} Actually appropriated as \$464,377,000. Amount shown is the best current estimate of the amount available for 2000-01. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.
- ⁿⁿ Actually appropriated as \$1,676,531,000. Amount shown is the best current estimate of the amount available for 2000-01. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.
- ^{oo} Reflects recommended appropriation reduction of \$31,146,000.
- ^{pp} Includes recommended supplemental appropriation of \$190,895,000.
- ^{qq} Includes recommended supplemental appropriation of \$1,151,000.
- ^{rr} Includes recommended supplemental appropriation of \$6,374,000.
- ^{ss} Includes recommended supplemental appropriation of \$42,995,000.
- ^{tt} Includes recommended supplemental appropriation of \$50,000.
- ^{uu} 1999-2000 Actual actually appropriated as \$26,807,000 and 2000-01 Available actually appropriated as \$27,323,000. Amounts shown are net of transfer to Cash Grants.
- ^{vv} Includes recommended supplemental appropriation of \$17,294,000.
- ^{ww} Includes recommended supplemental appropriation of \$20,624,000.
- ^{xx} Includes recommended supplemental appropriation of \$22,756,000.
- ^{yy} Includes recommended supplemental appropriation of \$9,753,000.
- ^{zz} Includes recommended supplemental appropriation of \$23,893,000.
- ^{ba} Includes recommended supplemental appropriation of \$27,678,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
HUMAN SERVICES SUPPORT							
GENERAL FUND.....	\$ 78,767	\$ 85,738	\$ 101,761	\$ 101,000	\$ 100,212	\$ 98,531	\$ 100,120
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	71,773	89,922	122,875	118,789	113,006	108,889	108,277
OTHER FUNDS.....	3,714	4,807	9,703	9,796	9,092	9,188	9,287
SUBCATEGORY TOTAL.....	\$ 154,254	\$ 180,467	\$ 234,339	\$ 229,585	\$ 222,310	\$ 216,608	\$ 217,684
MEDICAL ASSISTANCE							
GENERAL FUND.....	\$ 3,144,354	\$ 3,359,639	\$ 3,382,429	\$ 3,632,493	\$ 4,027,198	\$ 4,493,989	\$ 4,951,581
SPECIAL FUNDS.....	0	63,943	77,355	102,349	108,772	94,933	96,740
FEDERAL FUNDS.....	4,667,002	4,949,832	5,124,185	5,145,500	5,584,278	6,064,518	6,632,063
OTHER FUNDS.....	972,390	996,905	997,312	876,568	703,496	705,525	707,999
SUBCATEGORY TOTAL.....	\$ 8,783,746	\$ 9,370,319	\$ 9,581,281	\$ 9,756,910	\$ 10,423,744	\$ 11,358,965	\$ 12,388,383
INCOME MAINTENANCE							
GENERAL FUND.....	\$ 853,463	\$ 825,894	\$ 802,420	\$ 825,960	\$ 874,346	\$ 882,469	\$ 890,754
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,022,467	1,045,233	1,109,481	1,062,731	1,051,858	1,051,860	1,051,862
OTHER FUNDS.....	35,609	36,473	38,892	37,994	37,994	37,994	37,994
SUBCATEGORY TOTAL.....	\$ 1,911,539	\$ 1,907,600	\$ 1,950,793	\$ 1,926,685	\$ 1,964,198	\$ 1,972,323	\$ 1,980,610
MENTAL HEALTH							
GENERAL FUND.....	\$ 638,593	\$ 647,944	\$ 674,777	\$ 686,882	\$ 686,966	\$ 693,098	\$ 699,328
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	243,516	263,005	254,280	254,280	254,280	254,280	254,280
OTHER FUNDS.....	28,260	28,699	20,133	19,788	19,452	19,704	19,961
SUBCATEGORY TOTAL.....	\$ 910,369	\$ 939,648	\$ 949,190	\$ 960,950	\$ 960,698	\$ 967,082	\$ 973,569
MENTAL RETARDATION							
GENERAL FUND.....	\$ 797,934	\$ 860,565	\$ 928,021	\$ 971,991	\$ 1,000,012	\$ 1,028,701	\$ 1,057,435
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	655,024	753,796	866,134	904,289	930,134	956,466	982,798
OTHER FUNDS.....	12,120	15,086	14,801	9,823	9,844	10,048	10,256
SUBCATEGORY TOTAL.....	\$ 1,465,078	\$ 1,629,447	\$ 1,808,956	\$ 1,886,103	\$ 1,939,990	\$ 1,995,215	\$ 2,050,489
HUMAN SERVICES							
GENERAL FUND.....	\$ 676,052	\$ 713,618	\$ 810,383	\$ 854,488	\$ 895,646	\$ 942,765	\$ 992,289
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	800,034	943,678	896,006	895,403	892,891	888,891	888,891
OTHER FUNDS.....	7,690	11,748	21,339	21,339	21,339	21,339	21,339
SUBCATEGORY TOTAL.....	\$ 1,483,776	\$ 1,669,044	\$ 1,727,728	\$ 1,771,230	\$ 1,809,876	\$ 1,852,995	\$ 1,902,519

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
ALL PROGRAMS:							
GENERAL FUND.....	\$ 6,189,163	\$ 6,493,398	\$ 6,699,791	\$ 7,072,814	\$ 7,584,380	\$ 8,139,553	\$ 8,691,507
SPECIAL FUNDS.....	0	63,943	77,355	102,349	108,772	94,933	96,740
FEDERAL FUNDS.....	7,459,816	8,045,466	8,372,961	8,380,992	8,826,447	9,324,904	9,918,171
OTHER FUNDS.....	1,059,783	1,093,718	1,102,180	975,308	801,217	803,798	806,836
DEPARTMENT TOTAL.....	\$ 14,708,762	\$ 15,696,525	\$ 16,252,287	\$ 16,531,463	\$ 17,320,816	\$ 18,363,188	\$ 19,513,254

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)

	General Government Operations			
\$	1,974	—to continue current program.	1,544	—for telecommunication increases for data/voice lines and telephone conversion costs for field sites.
	421	—to expand oversight of child welfare programs.		
	281	—to increase monitoring of social programs.	-1,976	—nonrecurring projects.
	240	—to address backlogs in departmental hearing and appeals.	-796	—revision of Federal financial participation from 53.67% to 54.39%.
	147	—to expand oversight of behavioral health in the HealthChoices Lehigh/Capital region.	2,361	—Initiative — Integrated Human Services System. To redesign, standardize and integrate the human services business processes and information systems.
	-642	—nonrecurring operating costs.		
	500	—PRR — Expanding Home and Community-Based Services. This Program Revision conducts direct careworker recruitment and retention best practice sessions and supervisory training. See the Program Revision following the Human Services program for additional information.	1,312	—Initiative — Enhanced Income Eligibility Verification System. To redesign the public assistance income eligibility verification system.
			1,000	—Initiative — Social Programs Information Technology. To develop an integrated client-based data system for the Office of Social Programs.
\$	2,921	<i>Appropriation Increase</i>	500	—Initiative — Youth Development Centers Information Technology. To assess the information technology needs of the youth development centers and youth forestry camps.
			500	—Initiative — Human Services Licensing Information System. To develop an information technology plan to improve the human services licensing process.
			100	—Initiative — Enhanced Medical Assistance Transportation Services. To assess the information technology needs of the Medical Assistance Transportation Program.
\$	1,521	Information Systems		
	2,362	—to continue current program.		
		—for lease of computers and acquisition of 43 servers for County Assistance Offices.		
	1,282	—for data center fee increase.		
	1,225	—for enhancement of the Child Welfare Information System (PACWIS).		
	1,060	—increase in information technology lease and maintenance and software license fees.		
	1,107	—to provide technical support for mentoring State staff and for development of performance criteria and project management across program offices.		
			\$	13,102
				<i>Appropriation Increase</i>

This budget also recommends \$13.125 million in Federal funds and \$4.375 million in Intergovernmental Transfer funds to redesign the Medical Assistance management information system.

This budget also recommends \$500,000 in Federal funds to implement a child abuse prevention public awareness campaign.

Program: Human Support Services(continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
General Government Operations	\$ 52,028	\$ 53,236	\$ 56,157	\$ 57,882	\$ 59,040	\$ 60,221	\$ 61,425
Information Systems	26,739	32,502	45,604	43,118	41,172	38,310	38,695
TOTAL GENERAL FUND	\$ 78,767	\$ 85,738	\$ 101,761	\$ 101,000	\$ 100,212	\$ 98,531	\$ 100,120

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.

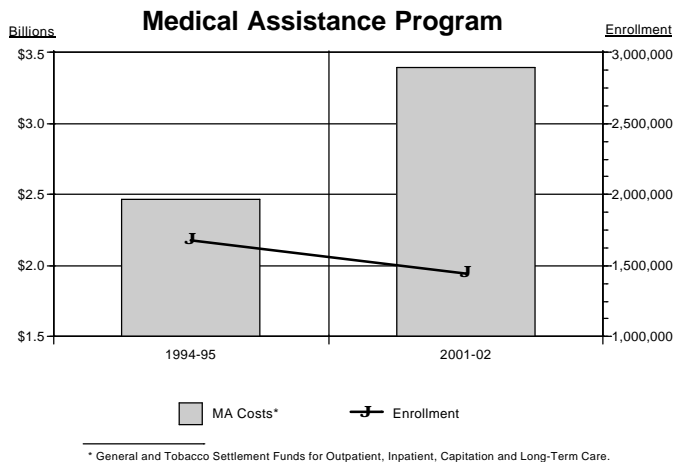
In the outpatient component of the Medical Assistance Program, providers of service are primarily reimbursed on a fee-for-service basis according to the Medical Assistance Fee Schedule.

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.



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)

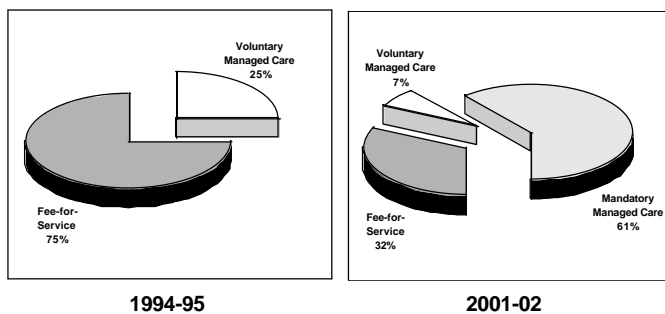
Psychiatric services, both in special wings of acute care hospitals and private psychiatric facilities, are paid through a prospective payment system.

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.

implementation achieved in April 2002. Participation in managed care will remain voluntary for clients in the remainder of the State. The department currently contracts with five 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

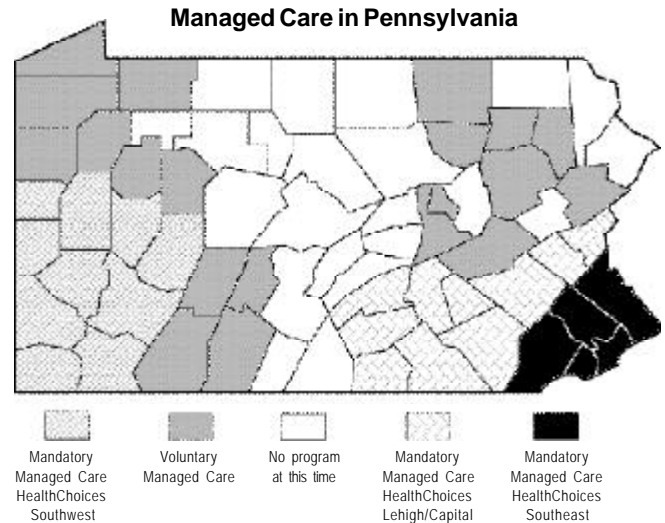
Medical Assistance Eligibility



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 HMOs while behavioral health is provided through contracts with the participating counties who may cooperate with an independent MCO. An independent enrollment assistant helps recipients select 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. The department plans to expand mandatory participation to the ten county Lehigh/Capital region in October 2001, with full



predetermined rate, expenditures increase and the HMO loses money. If service costs are controlled, the provider can make a profit.

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

Program: Medical Assistance (continued)

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 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 6,974 slots available Statewide by the end of 2001-02. 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/AIDS disease 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, laboratory analysis, 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:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Persons participating in Medical Assistance (monthly average)	1,409,095	1,433,807	1,447,930	1,462,657	1,478,661	1,496,187	1,515,117
Outpatient							
Outpatient services/visits:							
Physicians	3,172,688	3,273,333	2,967,944	2,654,005	2,741,716	2,842,491	2,952,777
Dentists	625,874	645,728	600,281	538,361	555,653	575,533	597,289
Total clinic	2,572,883	2,654,501	2,406,847	2,152,299	2,233,387	2,305,111	2,394,547
Home health	33,258	34,313	31,112	27,821	28,740	29,797	30,953
Prescriptions filled	13,041,782	13,455,499	12,200,154	10,909,866	11,270,211	11,684,461	12,137,809
Inpatient							
Recipients served:							
General hospitals	92,858	95,804	86,866	77,679	80,244	83,194	86,422
Rehabilitation hospitals	3,951	4,076	3,696	3,305	3,414	3,540	3,677
Private psychiatric hospitals	19,705	20,330	18,433	16,484	17,028	17,654	18,339
Average admissions per recipient:							
General hospitals	1.24	1.24	1.24	1.24	1.24	1.24	1.24
Rehabilitation hospitals	1.24	1.24	1.24	1.24	1.24	1.24	1.24
Private psychiatric hospitals	1.43	1.43	1.43	1.43	1.43	1.43	1.43
Average cost per case/admission:							
General hospitals	\$3,493	\$3,591	\$3,695	\$3,806	\$3,920	\$4,038	\$4,159
Rehabilitation hospitals	\$6,698	\$6,885	\$7,085	\$7,298	\$7,717	\$7,743	\$7,975
Private psychiatric hospitals	\$3,896	\$4,005	\$4,121	\$4,245	\$4,372	\$4,503	\$4,638

Actual and available year program measures changed from last year's budget because of a change in methodology. Previously, services were determined on the May to April payment system utilized by fee-for-service. With the emphasis on managed care, the measures are now calculated using a July to June service date.

Program: Medical Assistance (continued)

Program Measures: (continued)	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Capitation							
Medical Assistance recipients served:							
(monthly average)							
Fee-for-service delivery	533,304	550,222	470,488	446,536	461,271	478,211	496,749
Capitation programs	875,791	883,585	977,442	1,016,121	1,017,390	1,017,976	1,018,368
Average voluntary enrollment	126,893	129,638	99,121	84,238	85,507	86,093	86,485
Average HealthChoices Southeast enrollment	475,482	479,845	485,745	488,070	488,070	488,070	488,070
Average HealthChoices Southwest enrollment	273,416	274,102	277,148	278,026	278,026	278,026	278,026
Average HealthChoices Lehigh/Capital enrollment*	0	0	115,428	165,787	165,787	165,787	165,787
Percent of total eligibles enrolled	62.15%	61.63%	67.51%	69.47%	68.80%	68.04%	67.21%
Transportation Program							
One-way trips (in thousands)	4,629	4,629	5,080	5,080	5,080	5,080	5,080
Long-Term Care							
Recipients receiving institutional long-term care (monthly average)	78,487	78,487	76,910	76,910	76,910	76,910	76,910
Recipients receiving home and community based waiver services	4,237	7,507	9,163	10,511	11,142	11,507	11,715
Recipients receiving services through the Long-Term Care Capitated Assistance Program*	216	388	712	1,240	1,704	2,083	2,445

Capitation voluntary enrollment in 2000-01 decreased from the projection shown in last year's budget due to fewer recipients enrolling in voluntary managed care plans than anticipated.

Recipients receiving home and community based services increases in 2000-01 from the projection shown in last year's budget to reflect recipients served rather than slots available.

* New program measure this year.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	GENERAL FUND			
	Medical Assistance—Outpatient		868	—Initiative — Tobacco Cessation Products. To provide tobacco cessation products and counseling for Medical Assistance recipients.
\$ 1,924	—change in caseload and utilization.			
22,420	—for an average drug cost increase of 12 percent.		369	—Initiative — Enhanced Dental Services. To enhance dental benefits provided through the Medical Assistance Program.
25,042	—to replace carryover and other nonrecurring Federal funds.		234	—Initiative — Enhanced Well-Child Services. To enhance the schedule of preventive well-child health services provided to children enrolled in the Medical Assistance Program.
4,657	—for an increase in cost and clients eligible for Medicare Part B premiums.		70	—Initiative — Interstate Compact on Adoption. To provide outpatient services to adopted children with special needs who move into the Commonwealth.
2,086	—to annualize dental service fee increases.		42	—Initiative — Electronic Implant Devices. To provide electronic implant devices for Medical Assistance recipients who have not responded to medication or surgery.
645	—services for children enrolled as a result of enrollment and outreach activities.			
–89	—for other price changes.			
–1,138	—nonrecurring projects.			
–1,289	—savings from enrolling clients in the Hospital Insurance Premium Payment program.			
–8,952	—savings associated with prior year program revisions.			
–9,150	—revision of Federal financial participation from 53.67% to 54.39%.			
–36,703	—savings from expansion of mandatory managed care to the Lehigh/Capital region.	\$ –97,033		<i>Appropriation Decrease</i>
–100,000	—utilization of Intergovernmental Transfer funds.			
1,931	—Initiative — Increased State Supplement for Residential Services. To provide outpatient services to additional recipients who become eligible as a result of the increased Supplemental Security Income State supplement payment for personal care and domiciliary care residents.	\$ 8,660		Medical Assistance—Inpatient
		–25,877		—change in caseload and utilization.
		6,228		—savings from expansion of mandatory managed care to the Lehigh/Capital region.
		1,471		—to replace nonrecurring carryover.
				—for an increase in clients eligible for Medicare Part A premiums.
		1,306		—services for children enrolled as a result of enrollment and outreach activities.

Program: Medical Assistance (continued)

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

	Medical Assistance—Inpatient (continued)		
\$ 266	—to annualize prior year program revisions.	49	—Initiative — Interstate Compact on Adoption. To provide managed care services to adopted children with special needs who move into the Commonwealth.
-2,045	—nonrecurring projects.		
-1,575	—savings from enrolling clients in the Hospital Insurance Premium Payment program.	162	—Initiative — Electronic Implant Devices. To provide electronic implant devices for Medical Assistance recipients who have not responded to medication or surgery.
-4,735	—revision of Federal financial participation from 53.67% to 54.39%.		
180	—Initiative — Increased State Supplement for Residential Services. To provide inpatient services to additional recipients who become eligible as a result of the increased Supplemental Security Income State supplement payment for personal care and domiciliary care residents.	\$ 242,241	<i>Appropriation Increase</i>
		\$ -20,860	Long-Term Care
17	—Initiative — Interstate Compact on Adoption. To provide inpatient services to adopted children with special needs who move into the Commonwealth.	71,045	—for decreased caseload and utilization.
		6,667	—for an average daily cost increase of 6.92%.
		-20,000	—for three additional long-term care capitation sites.
\$ -16,104	<i>Appropriation Decrease</i>	-118,605	—nonrecurring supplemental payments to qualified nursing homes.
		-1,000	—utilization of Intergovernmental Transfer funds.
		-1,486	—savings from quality assurance review.
			—nonrecurring carryover funds and miscellaneous adjustments.
		-17,997	—revision of Federal financial participation from 53.67% to 54.39%.
			—Initiative — Coordination of Local Housing Opportunities. To coordinate the availability of local housing opportunities for participants of home and community-based programs.
		\$ -102,136	<i>Appropriation Decrease</i>
	Medical Assistance—Capitation		
\$ 113,205	—for increased physical health rates and utilization in the HealthChoices Program.		
27,303	—for increased behavioral health rates and utilization in the HealthChoices Program.	100	
149,098	—to reflect expansion of the mandatory HealthChoices Program to the Lehigh/Capital region.		
-23,527	—for increased rates and utilization in the remaining voluntary HMO programs offset by the transfer of recipients to the mandatory HealthChoices Program in the Lehigh/Capital region.	\$ -102,136	<i>Appropriation Decrease</i>
13,340	—for special populations in the HealthChoices Program.	\$ 636	Medical Assistance—Transportation
6,587	—services for children enrolled as a result of enrollment and outreach activities.	485	—to provide a two percent cost-of-living adjustment.
-27,424	—nonrecurring prior year carryover, Federal earnings and rate adjustments.	5,164	—expansion of mandatory managed care into the Lehigh/Capital region.
-1,711	—eligibility revisions for Temporary Assistance to Needy Families recipients.		—Initiative — Enhanced Medical Assistance Transportation Services. To implement a series of transportation enhancements, including Statewide urgent care/same day coverage, reimbursement for select return trips from the hospital, and door-to-door assistance under certain circumstances.
727	—to continue current program.		
-25,779	—revision of Federal financial participation from 53.67% to 54.39%.	\$ 6,285	<i>Appropriation Increase</i>
3,638	—Initiative — Psychiatric Rehabilitation Services. To provide psychiatric rehabilitation services through the HealthChoices Program.		
963	—Initiative — Increased State Supplement for Residential Services. To provide managed care services to additional recipients who become eligible as a result of the increased Supplemental Security Income State supplement payment for personal care and domiciliary care residents.	\$ 170	Expanded Medical Services for Women
3,765	—Initiative — Tobacco Cessation Products. To provide tobacco cessation products and counseling for Medical Assistance recipients.		—to provide a two percent cost-of-living adjustment.
1,482	—Initiative — Enhanced Dental Services. To enhance dental benefits provided through the Medical Assistance Program.	\$ 513	
363	—Initiative — Enhanced Well-Child Services. To enhance the schedule of preventive well-child health services provided to children enrolled in the Medical Assistance Program.	99	Special Pharmaceutical Services
		105	—to annualize the impact of formulary expansion.
		\$ 717	—to provide a five percent growth in utilization.
			—to reflect a five percent growth in drug price.
		\$ -11,350	<i>Appropriation Increase</i>
			Acute Care Hospitals
			—nonrecurring projects.

Program: Medical Assistance (continued)

Program Recommendations: (continued) This budget recommends the following changes: (Dollar Amounts in Thousands)

	TOBACCO SETTLEMENT FUND			Nursing Home Alternative Services
	Medical Care for Workers with Disabilities		\$ -15,888	—nonrecurring carryover.
\$ 8,472	—to enroll workers with disabilities in the Medical Assistance Program.		9,682	—PRR — Expanding Home and Community-Based Services. 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.
	Uncompensated Care			
\$ 11,146	—to provide hospitals with reimbursement for uncompensated care costs incurred on behalf of uninsured individuals.			
			\$ -6,206	<i>Appropriation Decrease</i>

All other appropriations are recommended at the current year funding level.

This budget also recommends \$2.5 million in Federal and Intergovernmental Transfer funds to improve the tracking and reporting of services provided to children through the Early and Periodic Screening, Diagnosis and Treatment program.

In addition, the Expanding Home and Community Based Services Program Revision following the Human Services program provides \$11.5 million in Federal funds to provide home and community-based services for additional older Pennsylvanians as an alternative to nursing home care, \$4.2 million in Federal funds and \$4.7 million in Intergovernmental Transfer funds to provide home and community-based services for additional persons with disabilities, and \$697,000 in Federal funds and \$600,000 in Intergovernmental Transfer funds to implement direct careworker recruitment and retention initiatives.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Medical Assistance - Outpatient	\$ 622,669	\$ 634,257	\$ 537,224	\$ 476,463	\$ 597,317	\$ 677,540	\$ 762,508
Medical Assistance - Inpatient	392,528	380,788	364,684	324,923	334,262	343,865	353,742
Medical Assistance - Capitation	1,384,763	1,515,244	1,757,485	2,020,388	2,150,892	2,366,073	2,588,540
Long-Term Care	693,625	762,100	659,964	747,647	881,655	1,043,439	1,183,719
Medical Assistance - Transportation	21,578	24,863	31,148	31,148	31,148	31,148	31,148
Expanded Medical Services for Women	8,348	8,516	8,686	8,686	8,686	8,686	8,686
AIDS Special Pharmaceutical Services	9,365	9,365	9,365	9,365	9,365	9,365	9,365
Special Pharmaceutical Services	3,278	4,956	5,673	5,673	5,673	5,673	5,673
Acute Care Hospitals	8,200	19,550	8,200	8,200	8,200	8,200	8,200
TOTAL GENERAL FUND	\$ 3,144,354	\$ 3,359,639	\$ 3,382,429	\$ 3,632,493	\$ 4,027,198	\$ 4,493,989	\$ 4,951,581
TOBACCO SETTLEMENT FUND:							
Medical Care for Workers with Disabilities	\$ 0	\$ 17,294	\$ 25,766	\$ 32,304	\$ 32,624	\$ 28,663	\$ 29,091
Uncompensated Care	0	22,756	33,902	42,506	42,926	37,715	38,278
Nursing Home Alternatives	0	23,893	17,687	27,539	33,222	28,555	29,371
TOTAL TOBACCO SETTLEMENT FUND	\$ 0	\$ 63,943	\$ 77,355	\$ 102,349	\$ 108,772	\$ 94,933	\$ 96,740

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

Cash assistance is provided for a limited time to people who meet income and resource guidelines and who comply with work activity requirements.

The cornerstone of the 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 regulations place a five-year lifetime limit on cash assistance benefits for most adult recipients.

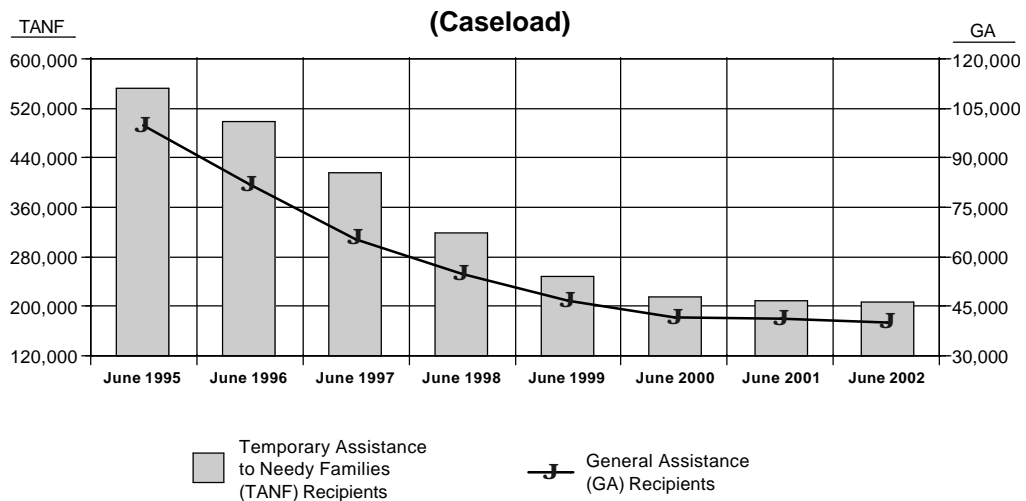
Upon application or redetermination for cash, data is entered into the department's client information system and

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. Also included in GA are children whose parents have terminated their own benefits but retain benefits for the child alone. 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, which is subject to annual revision based on the availability of funding, includes every household member's income. Cash payments are made to energy suppliers for persons responsible for paying heating costs or directly to those

Cash Grants



Program: Income Maintenance (continued)

households where home heating is included in the rent. Crisis payments may cover heating costs as well as emergency repairs to heating systems.

The Supplemental Security Income (SSI) Program provides aged, blind and disabled persons with a monthly payment based on nationally uniform eligibility standards. Presently, the basic monthly rate for individuals is \$530.00 and \$796.00 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 that respond to the needs of the local business community. In addition to training for welfare clients, programs to assist noncustodial parents to enter and advance in the workplace are provided to improve family economic viability.

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.

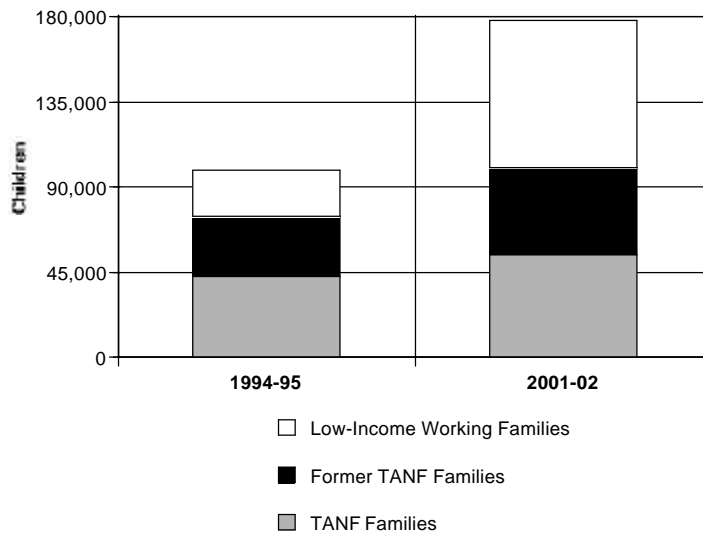
Child Care Funding (\$ in Thousands)	
	<u>2001-02</u>
Low-Income Working Families	
State Funds*	\$ 59,683
Federal Funds	163,246
Total	<u>\$ 222,929</u>
TANF Recipients / Former TANF Recipients	
State Funds**	\$ 36,741
Federal Funds	133,669
Total	<u>\$ 170,410</u>
Grand Total	<u><u>\$ 393,339</u></u>
<small>* Child Care Services appropriation. ** Cash Grants appropriation.</small>	

Program: Income Maintenance (continued)

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Persons receiving cash assistance, monthly average	272,990	250,900	242,720	242,720	242,720	242,720	242,720
Children of welfare recipients and former welfare recipients receiving child care	85,400	92,100	93,250	93,250	93,250	93,250	93,250
Persons receiving State Supplemental Grants, monthly average	286,017	290,650	294,310	294,310	294,310	294,310	294,310
Households receiving energy cash payments	254,665	339,650	300,120	300,120	300,120	300,120	300,120

Households receiving energy cash payments decreased in 1999-00 from the projection shown in last year's budget due to the under-utilization of the cash program. It is projected that more households will qualify to receive energy cash payments in 2000-01 due to an increase in the maximum allowable income.

Child Care Capacity Growth



In 2001-02, the child care system will serve an estimated 53,000 more children of low-income working families than in 1994-95, an increase of 215%.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

County Administration-Statewide	
\$ 3,218	—to continue current program.
1,015	—for an automated Medical Assistance Eligibility Determination System (MEDA).
300	—to replace the Surveillance and Utilization Review Subsystem (SURS) used for fraud and abuse detection.
-3,003	—to reflect increased Federal funds.
62	—Initiative — Electronic Implant Devices. To develop a procedure to purchase electronic implant devices directly from the manufacturers for use in the Medical Assistance Program.
24	—Initiative — Enhanced Income Eligibility Verification System. To provide the administrative support necessary to redesign the public assistance income eligibility verification system.
<u>\$ 1,616</u>	<i>Appropriation Increase</i>

County Assistance Offices	
\$ 10,101	—to continue current program.
-13,033	—to reflect increased Federal earnings.
-1,671	—nonrecurring software licensing costs.
1,330	—to provide for costs transferred from the New Directions program.
-260	—nonrecurring computer maintenance.
<u>\$ -3,533</u>	<i>Appropriation Decrease</i>
Child Support Enforcement	
\$ 727	—to continue current program.
320	—increase in PA Child Support Enforcement System (PACSES) operating costs.
-331	—nonrecurring financial institution data match start-up costs.
-281	—nonrecurring costs for the State centralized child support collection and disbursement system.
<u>\$ 435</u>	<i>Appropriation Increase</i>

Program: Income Maintenance (continued)

Program Recommendations: (continued) This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>New Directions</p> <p>\$ 271 —to continue current program.</p> <p>5,316 —increase in job retention and advancement activities to prevent return to welfare.</p> <p>2,225 —to provide matching funds for supported work job training projects.</p> <p>-1,330 —to reflect costs transferred to the County Assistance Office appropriation.</p> <p>130 —to provide fatherhood programs for parents returning to the community from the correctional system.</p> <p>-7,208 —nonrecurring projects.</p> <p>1,170 —PRR — Promoting Self-Sufficiency and Responsibility. This Program Revision provides expanded employment and training services through the Single Point of Contact Program for individuals with significant barriers to employment. See the Program Revision following this program for additional information.</p> <hr/> <p>\$ 574 <i>Appropriation Increase</i></p> <p>Cash Grants</p> <p>\$ -6,164 —savings due to caseload and average benefits changes.</p> <p>-27,490 —impact of nonrecurring funds.</p> <p>-2,343 —nonrecurring payment of child support collections made after the PA Child Support Enforcement System was fully implemented.</p> <p>629 —to continue current program.</p> <hr/> <p>\$ -35,368 <i>Appropriation Decrease</i></p>	<p>Supplemental Grants - Aged, Blind, Disabled</p> <p>\$ 3,150 —for increased caseload and average benefits.</p> <p>1,494 —to reflect Federal administrative fee increases.</p> <p>8,158 —Initiative — Increased State Supplement for Residential Services. To increase the residential component of the Supplemental Security Income State supplement payment for personal care and domiciliary care residents to assist with the cost of care.</p> <hr/> <p>\$ 12,802 <i>Appropriation Increase</i></p>
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This budget also recommends the following Federal funds: \$15 million to provide before and after school programs and youth development activities; \$8 million to enhance employment and training, pregnancy prevention and after school programs for high school and general equivalency diploma students; \$1 million to provide mental health and substance abuse training for county assistance caseworkers; and \$1 million to assist victims of domestic violence to relocate to another community due to safety considerations.

In addition, the Promoting Self-Sufficiency and Responsibility Program Revision following this program provides approximately \$24.2 million in Federal funds to expand employment and training opportunities for welfare recipients and low-income working families.

In addition, the Expanding Home and Community-Based Services Program Revision following the Human Services program provides \$7.5 million in Federal funds to implement home and community-based care apprenticeship programs.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
County Administration - Statewide	\$ 44,903	\$ 45,664	\$ 47,280	\$ 48,292	\$ 49,238	\$ 50,224	\$ 51,229
County Assistance Offices	254,171	258,670	255,137	260,240	265,445	270,754	276,169
Child Support Enforcement	18,734	19,716	20,151	20,554	20,965	21,384	21,812
New Directions	85,046	72,644	73,218	70,240	71,621	73,030	74,467
Cash Grants	314,980	297,708	262,340	282,340	322,783	322,783	322,783
1999 Storm Disaster Assistance	5,000	0	0	0	0	0	0
Supplemental Grants - Aged, Blind and Disabled	130,329	131,492	144,294	144,294	144,294	144,294	144,294
Citizenship Services	300	0	0	0	0	0	0
TOTAL GENERAL FUND	\$ 853,463	\$ 825,894	\$ 802,420	\$ 825,960	\$ 874,346	\$ 882,469	\$ 890,754

Program Revision: Promoting Self-Sufficiency and Responsibility

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 \$3.3 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 93,000 families. To continue enabling families to become or remain self-sufficient, this Program Revision proposes an additional \$59.3 million to further expand employment and training, housing and asset building opportunities for welfare recipients and low-income working families.

Currently the Department of Public Welfare offers a continuum of services to help welfare recipients transition to employment, including job readiness, supervised job search, job training, short-term education, intensive case management and subsidized work activities. As the Federal 60 month lifetime limit for cash assistance benefits approaches, this Program Revision proposes a series of enhancements to address the employment and training needs of individuals transitioning from welfare to work.

While the number of families receiving cash grant benefits has decreased substantially since the implementation of welfare reform, many of those remaining on assistance have substantially greater barriers to employment and are in need of more extensive skills training and remedial education. These clients often have the most difficulty obtaining and retaining employment. This Program Revision recommends \$16.2 million in State and Federal funds to provide employment and training services for 3,000 additional recipients through the Single Point of Contact Program which provides intensive case management, skills training and remedial education services for welfare clients with significant barriers to employment. As a result of these expanded services, an estimated 750 families are projected to leave the cash assistance caseload.

There are also individuals receiving cash grant benefits who have participated in existing employment and training programs but have been unable to transition off welfare. For those who have no significant barriers to employment, this Program Revision recommends \$5.5 million in Federal funds to provide community service opportunities, life skills training and intensive case management to enable continued compliance with work requirements. Approximately 1,500 participants will be required to engage in any combination

of 20 hours a week of community service, subsidized employment and/or unsubsidized employment, as well as 10 hours a week of wraparound activities such as life skills training, job readiness preparation and job search activities. As a result of these enhanced services, an estimated 300 families are projected to leave the cash assistance caseload.

For those individuals who are returning to the welfare caseload after having obtained then subsequently lost employment, this Program Revision recommends \$1.8 million in Federal funds to provide specialized and intensive re-entry services. An estimated 7,000 clients will participate in an expedited case review process and enhanced job search activities through local Career Link Centers. As a result of these enhanced services, an estimated 1,750 families are projected to leave the cash assistance caseload.

Consistent and reliable child support payments from noncustodial parents can promote self-sufficiency for custodial parents and their children. The nonpayment of child support by noncustodial parents, however, is most often attributed to lack of income and lack of parental involvement in the lives of their children. Noncustodial parents are less willing to pay child support when they have little or no access to their children. The issue is compounded when the noncustodial parent lacks the financial ability to pay legal costs associated with obtaining custody and/or visitation rights through the courts. To address these issues, this Program Revision recommends \$1.8 million in Federal funds to pilot various incentives for noncustodial parents to obtain employment and pay child support, including court-ordered participation in employment and training programs, payment towards child support arrears for completing a training program and obtaining and maintaining employment, and payment of court costs for child custody and visitation proceedings.

Affordable housing is another critical issue for families transitioning from welfare to self-sufficiency. Lack of affordable housing can jeopardize continued employment and threaten family stability. This Program Revision recommends \$20 million in Federal funds for the Department of Community and Economic Development to provide incentives for developers to expand the availability of affordable housing units to benefit approximately 1,500 low-income families through the Pennsylvania Housing Finance Agency. This Program Revision also recommends \$10 million in Federal funds for the Department of Community and Economic Development to assist approximately 2,500 low-income families currently residing in public or subsidized housing to become first-time homeowners through the Pennsylvania Housing Finance Agency. For

Program Revision: Promoting Self-Sufficiency and Responsibility (continued)

individuals and families who are homeless or near homeless, this Program Revision recommends \$2 million in Federal funds to provide rental assistance, transitional housing and case management services to an additional 3,000 individuals as they move towards self-sufficiency.

In addition to home ownership, asset accumulation through savings accounts also promotes self-sufficiency and responsibility. This Program Revision recommends \$2 million in Federal funds for the Department of Community and Economic Development to match the contributions of low-income families participating in the Family Savings Account Program. These matched savings accounts will

enable 1,200 additional low-income families to accumulate the resources necessary for large expenses, such as home ownership, education and business start-up. Through asset accumulation, low-income families are better able to become and remain self-sufficient.

Through these expanded employment and training, housing and asset building opportunities, Pennsylvania will continue to meet the needs of welfare recipients and low-income working families as they move towards self-sufficiency.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Additional welfare recipients receiving expanded and enhanced employment and training opportunities Program Revision	0	0	11,500	11,500	11,500	11,500	11,500
Noncustodial parents participating in the work incentive pilot programs Program Revision	0	0	400	400	0	0	0
Additional low-income families benefiting from the expansion of affordable housing opportunities Program Revision	0	0	1,500	1,500	0	0	0
Additional low-income families becoming first-time homeowners Program Revision	0	0	2,500	2,500	0	0	0
Additional homeless or near homeless individuals receiving rental assistance, transitional housing and case management services Program Revision	0	0	3,000	3,000	3,000	3,000	3,000
Additional families participating in the Family Savings Account Program Program Revision	0	0	1,200	1,200	1,200	1,200	1,200

Program Revision Recommendations: This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND
New Directions
 \$ 1,170 —to provide expanded employment and training services through the Single Point of Contact Program for individuals with significant barriers to employment.

This Program Revision is also supported with Federal Funds. The proposed uses of these funds follows: (Dollar Amounts in Thousands)

PUBLIC WELFARE
TANFBG – New Directions
 \$ 15,660 —to provide expanded employment and training services through the Single Point of Contact Program for individuals with significant barriers to employment.

Program Revision: Promoting Self-Sufficiency and Responsibility (continued)

Program Revision Recommendations: (continued)

This budget recommends the following changes:
(Dollar Amounts in Thousands)

\$	6,000	TANFBG – New Directions (continued) —to provide additional employment, training and wraparound services for clients who have been unsuccessful at obtaining employment.	\$	1,850	TANFBG – Child Support Enforcement —to provide incentives for noncustodial parents to obtain and maintain employment, and meet child support obligations.
	5,005	—to provide expedited and enhanced job search activities through local Career Link Centers for individuals returning to the cash assistance caseload.	\$	2,000	TANFBG – Homeless Assistance —to expand rental assistance, transitional housing and case management services for homeless and near homeless individuals and families.
\$	26,665	<i>Appropriation Total</i>			COMMUNITY AND ECONOMIC DEVELOPMENT TANFBG – Housing Collaboration —to expand the availability of affordable housing opportunities for low-income families through the Pennsylvania Housing Finance Agency.
\$	1,170	Food Stamps – New Directions —to provide expanded employment and training services through the Single Point of Contact Program for individuals with significant barriers to employment.	\$	20,000	—to assist additional low-income families to become first-time homeowners through the Pennsylvania Housing Finance Agency.
\$	-1,784	TANFBG – Cash Grants —savings due to caseload reductions resulting from the provision of expanded employment and training services through the Single Point of Contact Program for individuals with significant barriers to employment.		10,000	—to assist additional low-income families to become first-time homeowners through the Pennsylvania Housing Finance Agency.
	-546	—savings due to caseload reductions resulting from the provision of additional employment, training and wraparound services for clients who have been unsuccessful at obtaining employment.	\$	2,000	TANFBG – Family Savings Account —to promote asset accumulation by low-income families through matched savings accounts.
	-3,188	—savings due to caseload reductions resulting from the provision of expedited and enhanced job search activities through local Career Link Centers for individuals returning to the cash assistance caseload.	\$	59,337	<i>Program Revision Total</i>
\$	-5,518	<i>Appropriation Total</i>			

Recommended Program Revision Costs by Appropriation:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Public Welfare							
New Directions	\$ 0	\$ 0	\$ 1,170	\$ 1,170	\$ 1,170	\$ 1,170	\$ 1,170

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 of 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

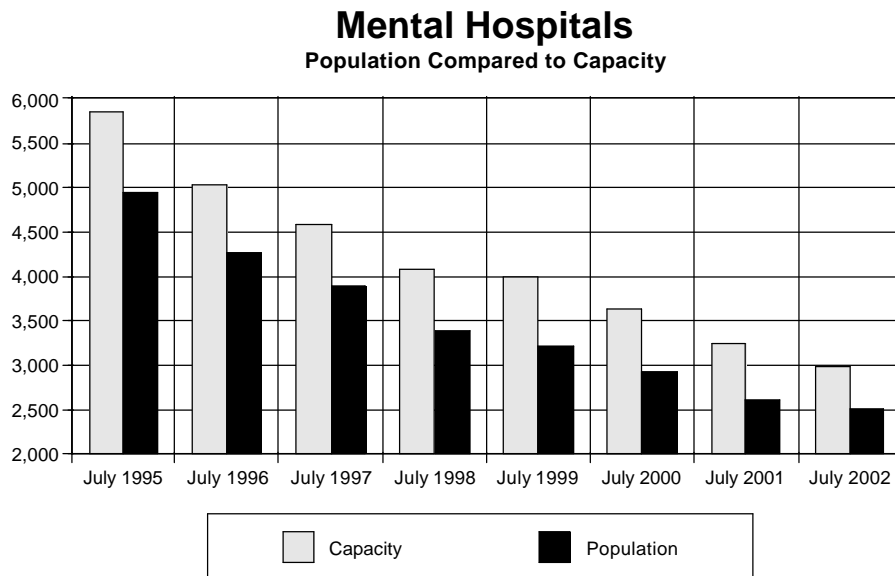
and county matching funds. Community services are targeted to adults with serious mental illness and children/adolescents with or at risk of serious emotional disturbance.

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.



As more people receive mental health services in the community, the population at State mental hospitals has declined since July of 1995 from 4,934 to a projected 2,515, a reduction of 2,419 or 49%.

Program: Mental Health (continued)

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Persons provided mental health services (unduplicated)	200,732	202,740	204,767	206,815	208,883	210,972	213,082
State mental hospital population at end of fiscal year	2,928	2,615	2,515	2,490	2,465	2,440	2,440
Reduction of State Mental Hospital capacity through Community Hospital Integration Projects Program	1,646	1,959	2,189	2,189	2,189	2,189	2,189
Percentage of adults readmitted to State Mental Hospitals within one year of last discharge	20%	19%	17%	16%	15%	14%	14%
Persons served in community residential mental health facilities	6,958	7,027	7,098	7,170	7,240	7,315	7,385
Persons receiving intensive case management	15,556	15,712	15,869	16,025	16,190	16,350	16,515
Persons receiving family based mental health services	4,380	4,424	4,468	4,515	4,560	4,605	4,650

Percentage of adults readmitted to State Mental Hospitals within one year of last discharge increased from the projections shown in last year's budget because, as the 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 rehospitalization.

Hospital and Restoration Center Populations for the Prior, Current and Upcoming Year:

State Mental Hospitals	Population July 1999	Population July 2000	Projected Population July 2001	Projected Bed Capacity July 2001	Projected Percent of Capacity July 2001
Allentown.....	236	216	176	232	75.9%
Clarks Summit.....	245	228	188	300	62.7%
Danville.....	224	201	146	202	72.3%
Eastern State School and Hospital.....	11	8	8	10	80.0%
Harrisburg.....	321	323	283	310	91.3%
Mayview.....	476	426	376	475	79.2%
Norristown.....	633	513	470	591	79.5%
South Mountain.....	250	229	229	250	91.6%
Torrance.....	315	292	292	312	93.6%
Warren.....	263	253	253	299	84.6%
Wernersville.....	243	239	194	257	75.5%
TOTAL.....	3,217	2,928	2,615	3,238	80.8%

Program: Mental Health (continued)

Total Proposed Expenditures by Hospital, Restoration Center and Community Programs:

	1999-00	2000-01	2001-02		1999-00	2000-01	2001-02
	Actual	Available	Budget		Actual	Available	Budget
Allentown				South Mountain State Restoration Center			
State Funds.....	\$ 24,798	\$ 24,382	\$ 24,584	State Funds.....	\$ 11,684	\$ 10,654	\$ 9,524
Federal Funds.....	3,440	3,076	2,418	Federal Funds.....	8,848	10,362	11,076
Augmentations.....	1,659	1,621	1,541	Augmentations.....	2,084	2,137	2,008
TOTAL.....	<u>\$ 29,897</u>	<u>\$ 29,079</u>	<u>\$ 28,543</u>	TOTAL.....	<u>\$ 22,616</u>	<u>\$ 23,153</u>	<u>\$ 22,608</u>
Clarks Summit				Torrance			
State Funds.....	\$ 28,131	\$ 26,874	\$ 25,314	State Funds.....	\$ 30,582	\$ 32,158	\$ 33,060
Federal Funds.....	3,954	4,329	4,421	Federal Funds.....	4,627	4,169	3,930
Augmentations.....	1,820	1,937	1,952	Augmentations.....	2,159	2,075	2,002
TOTAL.....	<u>\$ 33,905</u>	<u>\$ 33,140</u>	<u>\$ 31,687</u>	TOTAL.....	<u>\$ 37,368</u>	<u>\$ 38,402</u>	<u>\$ 38,992</u>
Danville				Warren			
State Funds.....	\$ 23,029	\$ 21,127	\$ 19,348	State Funds.....	\$ 26,412	\$ 26,785	\$ 27,240
Federal Funds.....	3,618	3,671	3,378	Federal Funds.....	4,048	4,665	4,142
Augmentations.....	1,775	1,747	1,747	Augmentations.....	2,718	2,302	2,403
TOTAL.....	<u>\$ 28,422</u>	<u>\$ 26,545</u>	<u>\$ 24,473</u>	TOTAL.....	<u>\$ 33,178</u>	<u>\$ 33,752</u>	<u>\$ 33,785</u>
Eastern State School and Hospital				Wernersville			
State Funds.....	\$ 1,148	\$ 2,942	\$ 2,676	State Funds.....	\$ 27,894	\$ 26,710	\$ 24,331
Federal Funds.....	1,728	2,015	2,270	Federal Funds.....	3,944	4,543	4,555
Augmentations.....	5	4	0	Augmentations.....	2,026	2,043	2,072
TOTAL.....	<u>\$ 2,881</u>	<u>\$ 4,961</u>	<u>\$ 4,946</u>	TOTAL.....	<u>\$ 33,864</u>	<u>\$ 33,296</u>	<u>\$ 30,958</u>
Harrisburg				Administrative Cost			
State Funds.....	\$ 32,653	\$ 34,045	\$ 34,411	State Funds.....	\$ 1,551	\$ 5,122	\$ 3,813
Federal Funds.....	3,677	2,984	2,816	Federal Funds.....	28	0	0
Augmentations.....	2,458	2,273	2,102	Augmentations.....	0	0	0
TOTAL.....	<u>\$ 38,788</u>	<u>\$ 39,302</u>	<u>\$ 39,329</u>	TOTAL.....	<u>\$ 1,579</u>	<u>\$ 5,122</u>	<u>\$ 3,813</u>
Mayview				Community Programs			
State Funds.....	\$ 51,674	\$ 51,275	\$ 51,799	State Funds.....	\$ 254,649	\$ 261,731	\$ 297,035
Federal Funds.....	6,018	6,497	4,386	Federal Funds.....	192,125	209,791	204,832
Augmentations.....	2,370	2,103	2,053	Augmentations.....	6,448	8,154	0
TOTAL.....	<u>\$ 60,062</u>	<u>\$ 59,875</u>	<u>\$ 58,238</u>	TOTAL.....	<u>\$ 453,222</u>	<u>\$ 479,676</u>	<u>\$ 501,867</u>
Norristown							
State Funds.....	\$ 77,963	\$ 73,269	\$ 73,733				
Federal Funds.....	7,461	6,903	6,056				
Augmentations.....	2,738	2,303	2,253				
TOTAL.....	<u>\$ 88,162</u>	<u>\$ 82,475</u>	<u>\$ 82,042</u>				

Program: Mental Health (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Mental Health Services		Behavioral Health Services	
\$ 12,978	—to annualize prior year community placements and diversion costs.	\$ 939	—to provide a two percent cost-of-living adjustment.
5,595	—to provide a two percent cost-of-living adjustment for the community mental health program.		
4,085	—to continue current program for community mental health.		Psychiatric Services in Eastern Pennsylvania
-1,323	—revision of Federal financial participation from 53.67% to 54.39%.	\$ -3,500	—nonrecurring project.
-3,238	—savings from expansion of mandatory managed care to the Lehigh/Capital region.		
-7,681	—savings from hospital beds closed due to community placements in prior years.		Mental Health Advocacy Program
2,323	—to continue current program for State mental hospitals.	\$ -400	—nonrecurring project.
14,555	—PRR — Expanding Home and Community-Based Services. This Program Revision provides home and community-based services for persons currently residing in State hospitals and implements direct careworker recruitment and retention initiatives. See the Program Revision following the Human Services program for additional information.		
2,500	—PRR — Protecting Public Safety. This Program Revision increases the availability of behavioral health services for criminal offenders with a dual diagnosis of mental illness and substance abuse problems. See the Program Revision following the Institutionalization of Offenders program in the Department of Corrections for additional information.		
<u>\$ 29,794</u>	<i>Appropriation Increase</i>		

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Mental Health Services	\$ 592,168	\$ 597,074	\$ 626,868	\$ 638,973	\$ 639,057	\$ 645,189	\$ 651,419
Behavioral Health Services	41,125	46,970	47,909	47,909	47,909	47,909	47,909
Psychiatric Services in Eastern PA	5,300	3,500	0	0	0	0	0
Mental Health Advocacy Program	0	400	0	0	0	0	0
TOTAL GENERAL FUND	<u>\$ 638,593</u>	<u>\$ 647,944</u>	<u>\$ 674,777</u>	<u>\$ 686,882</u>	<u>\$ 686,966</u>	<u>\$ 693,098</u>	<u>\$ 699,328</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

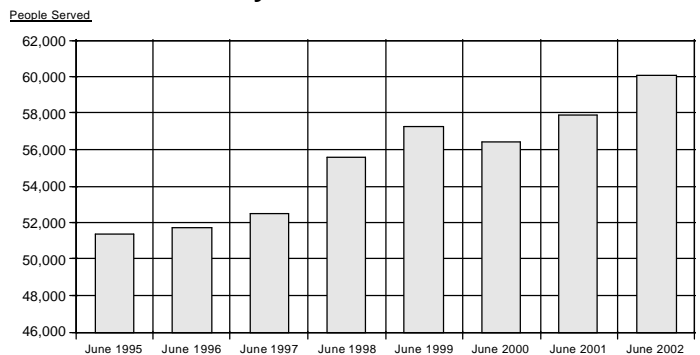
The Department of Public Welfare operates or provides funding for privately operated institutional care for people with mental retardation. The Commonwealth provides services through six State centers and one mental retardation unit. The primary goal is to develop each resident's ability to function 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 8,733 since 1995. During the same period, the population in the State Centers will have decreased by 56%.

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)

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Persons receiving MR services during fiscal year	74,000	76,276	79,410	79,685	79,930	80,175	80,420
Persons receiving community non-residential services:							
Early Intervention	15,613	16,647	17,800	17,800	17,800	17,800	17,800
Adult day services	22,400	24,026	26,158	26,435	26,680	26,925	27,170
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)	13,100	14,363	15,464	16,425	17,285	18,140	19,000
Residents in private ICF/MRs	2,980	2,819	2,668	2,650	2,650	2,650	2,650
Residents in State Centers and mental retardation units	1,969	1,706	1,516	1,475	1,435	1,395	1,355
Residents transferred to more independent settings during fiscal year from:							
Community residential facilities	212	250	250	250	250	250	250
State Centers and MR units	244	233	160	10	10	10	10

Residents transferring to more independent settings from State Centers and mental retardation units are less than shown in last year's budget due to delays in site acquisition and difficulty in staff recruitment.

State Centers Population for the Prior, Current and Upcoming Year:

	Population July 1999	Population July 2000	Projected Population July 2001	Projected Bed Capacity July 2001	Projected Percent Capacity July 2001
State Centers					
Altoona.....	132	125	114	117	97.4%
Ebensburg.....	362	347	305	316	96.5%
Hamburg.....	248	217	170	269	63.2%
Polk.....	534	490	457	550	83.1%
Selinsgrove.....	561	497	433	716	60.5%
Western.....	75	0	0	0	N/A
White Haven.....	283	263	224	374	59.9%
TOTAL STATE CENTERS.....	2,195	1,939	1,703	2,342	82.8%
Mayview Unit for Mentally Retarded.....	46	30	3	3	100.0%
GRAND TOTAL.....	2,241	1,969	1,706	2,345	84.0%

Program: Mental Retardation (continued)

Proposed Expenditures by Center:

	1999-00	2000-01	2001-02		1999-00	2000-01	2001-02
	Actual	Available	Budget		Actual	Available	Budget
ALTOONA				SELINSGROVE			
State funds.....	\$ 4,987	\$ 4,853	\$ 4,684	State funds.....	\$ 29,842	\$ 28,577	\$ 27,567
Federal funds.....	5,874	6,008	5,949	Federal funds.....	35,008	33,998	34,132
Augmentations.....	638	582	551	Augmentations..	2,953	2,678	2,686
TOTAL.....	\$ 11,499	\$ 11,443	\$ 11,184	TOTAL.....	\$ 67,803	\$ 65,253	\$ 64,385
EBENSBURG				WESTERN			
State funds.....	\$ 19,530	\$ 19,474	\$ 18,747	State funds.....	\$ 8,229	\$ 2,571	\$ 1,372
Federal funds.....	22,860	22,926	22,840	Federal funds.....	6,729	0	0
Augmentations.....	1,839	1,629	1,634	Augmentations..	313	0	0
TOTAL.....	\$ 44,229	\$ 44,029	\$ 43,221	TOTAL.....	\$ 15,271	\$ 2,571	\$ 1,372
HAMBURG				WHITE HAVEN			
State funds.....	\$ 13,092	\$ 12,591	\$ 11,963	State funds.....	\$ 15,474	\$ 15,002	\$ 14,406
Federal funds.....	15,340	14,871	14,477	Federal funds.....	18,148	17,882	17,600
Augmentations.....	1,202	988	919	Augmentations..	1,569	1,411	1,405
TOTAL.....	\$ 29,634	\$ 28,450	\$ 27,359	TOTAL.....	\$ 35,191	\$ 34,295	\$ 33,411
POLK				MAYVIEW			
State funds.....	\$ 29,896	\$ 28,903	\$ 28,284	State funds.....	\$ 1,721	\$ 1,745	\$ 821
Federal funds.....	35,106	34,321	34,317	Federal funds.....	2,031	2,074	669
Augmentations.....	3,116	2,681	2,606	Augmentations..	232	117	0
TOTAL.....	\$ 68,118	\$ 65,905	\$ 65,207	TOTAL.....	\$ 3,984	\$ 3,936	\$ 1,490
<p>Funds for Embreeville, Laurelton and Torrance are for security and maintenance only pending final disposition of these facilities.</p>							
	1999-00	2000-01	2001-02				
	Actual	Available	Budget				
State Funds							
Embreeville.....	\$ 1,496	\$ 1,392	\$ 1,391				
Laurelton.....	1,255	1,116	1,086				
Torrance.....	67	0	0				
TOTAL.....	\$ 2,818	\$ 2,508	\$ 2,477				

Program: Mental Retardation (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	State Centers for the Mentally Retarded	3,154	
\$ 4,847	—to continue current program.		—Initiative — Strengthening Oversight of Mental Retardation Services. To improve service coordination, independent monitoring and incident investigation in the Community Mental Retardation Program.
-1,806	—revision of Federal financial participation from 53.67% to 54.39%.		
-8,944	—to reflect annualization of community placements and consolidation of State Centers due to limited admission and patient attrition.	36,255	—PRR — Expanding Home and Community-Based Services. This Program Revision provides home and community-based services for additional persons with mental retardation and implements direct careworker recruitment and retention initiatives. See the Program Revision following the Human Services program for additional information.
<u>\$ -5,903</u>	<i>Appropriation Decrease</i>		
	Intermediate Care Facilities—Mentally Retarded		
\$ 2,163	—to provide a two percent cost-of-living adjustment.		
1,855	—to annualize current facility per diem rates including current waivers.	<u>\$ 70,871</u>	<i>Appropriation Increase</i>
1,029	—to continue current program.		Early Intervention
-525	—savings from expansion of mandatory managed care to the Lehigh/Capital region.	\$ 1,105	—to provide a two percent cost-of-living adjustment.
-748	—to annualize prior bed transfers to the community program.	-181	—revision of Federal financial participation from 53.67% to 54.39%.
-4,626	—transfer of 151 beds to the community program.	407	—to continue current program.
-1,768	—revision of Federal financial participation from 53.67% to 54.39%.	3,794	—Initiative — Expanded Early Intervention Services. To provide Early Intervention services to an additional 1,150 children.
<u>\$ -2,620</u>	<i>Appropriation Decrease</i>	<u>\$ 5,125</u>	<i>Appropriation Increase</i>
	Community Mental Retardation Services		Pennhurst Dispersal
\$ 11,926	—to provide a two percent cost-of-living adjustment.	\$ 50	—to provide a two percent cost-of-living adjustment.
-5,812	—revision of Federal financial participation from 53.67% to 54.39%.		MR Residential Services - Lansdowne
6,685	—transfer of 151 beds from the ICF/MR program to the community program.	\$ 8	—to provide a two percent cost-of-living adjustment.
4,735	—to annualize the prior initiatives for both monitoring and information systems.	-75	— nonrecurring project.
13,928	—to annualize the prior PRR providing services to people on the waiting list.	<u>\$ -67</u>	<i>Appropriation Decrease</i>

In addition, the Expanding Home and Community-Based Services Program Revision following the Human Services program provides \$28.6 million in Federal funds to provide home and community-based services for additional persons with mental retardation and to implement direct careworker recruitment and retention initiatives.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
State Centers for the Mentally Retarded	\$ 125,589	\$ 116,224	\$ 110,321	\$ 110,579	\$ 110,829	\$ 113,125	\$ 115,466
Intermediate Care Facilities —							
Mentally Retarded	97,931	107,654	105,034	104,587	104,587	104,587	104,587
Community Mental Retardation Services ...	527,401	578,663	649,534	689,899	717,670	744,063	770,456
Early Intervention	43,560	54,503	59,628	63,422	63,422	63,422	63,422
Pennhurst Dispersal	2,992	3,052	3,102	3,102	3,102	3,102	3,102
MR Residential Services — Lansdowne	461	469	402	402	402	402	402
TOTAL GENERAL FUND	<u>\$ 797,934</u>	<u>\$ 860,565</u>	<u>\$ 928,021</u>	<u>\$ 971,991</u>	<u>\$ 1,000,012</u>	<u>\$ 1,028,701</u>	<u>\$ 1,057,435</u>

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 1999 Population	July 2000 Population	Projected July 2001 Population	Projected July 2001 Capacity	Projected July 2001 % of Capacity
Bensalem*	13	0	0	0	NA
YFC – Hickory Run	46	46	49	49	100%
YFC – Trough Creek	53	63	62	62	100%
New Castle	290	323	318	318	100%
Loysville	<u>351</u>	<u>338</u>	<u>364</u>	<u>364</u>	<u>100%</u>
Total Current Programs	753	770	793	793	100%

*The Bensalem YDC was 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 parents a choice of child care service and provide 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 clinics provide educational, medical and social services to persons over age 16 to address contraceptive or infertility issues. Grants are provided to 200 clinics in the State.

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.

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.

Program: Human Services (continued)

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:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Youth Development Centers							
YDC — youth served	1,898	1,900	1,900	1,900	1,900	1,900	1,900
YDC — occupancy rates	100%	100%	100%	100%	100%	100%	100%
YDC — youth in work experience	425	445	445	445	445	445	445
Family Support Services							
Children receiving child welfare services at home	159,268	153,321	158,227	160,000	160,000	160,000	160,000
Out of home placement in:							
Community residential programs	21,957	22,070	21,751	22,100	22,100	22,100	22,100
Institutional care programs	5,775	6,782	6,108	6,200	6,200	6,200	6,200
Agency arranged adoptions	2,071	1,935	1,935	1,935	1,935	1,935	1,935
Children waiting for adoption	5,002	5,400	5,400	5,400	5,400	5,400	5,400
Children receiving day care	75,000	74,300	84,750	84,750	84,750	84,750	84,750
Percent of child abuse reports substantiated	22.35%	22.00%	22.00%	22.00%	22.00%	22.00%	22.00%
Homeless Assistance							
Total persons receiving homeless services	114,000	104,000	105,000	103,000	103,000	103,000	103,000
Other Human Services							
Domestic violence persons served	54,552	59,770	59,770	59,770	59,770	59,770	59,770
Rape crisis/sexual assault persons served ..	17,024	17,970	17,970	17,970	17,970	17,970	17,970
Breast cancer screening clients	114,572	113,180	113,180	113,180	113,180	113,180	113,180
Legal service clients	24,143	24,190	24,190	24,190	24,190	24,190	24,190
Attendant care persons served	3,954	4,248	4,381	4,381	4,381	4,381	4,381
Persons with developmental disabilities served in nursing facilities	641	641	640	640	640	640	640
Persons with developmental disabilities served in the community	357	546	800	800	800	800	800

Agency arranged adoptions increased in 1999-00 from the projection shown in last year's budget due to increased family enrollment activities.

Children receiving day care increased from those shown in last year's budget due to an increase in monthly enrollments combined with a higher turnover rate.

Percent of child abuse reports substantiated decreased from the projection shown in last year's budget due to increased prevention efforts.

Persons with developmental disabilities served in the community changed from last year's budget due to delay in securing Federal waiver approval.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Youth Development Institutions and Forestry Camps		County Child Welfare	
\$ 4,454	—to continue current program.	\$ 31,418	—for county needs-based budgets as mandated by Act 30 of 1991.
-5,481	—nonrecurring cost of the Bensalem Youth Development Center.	39,950	—to replace Federal funds.
510	—for a training academy.	7,744	—to provide a two percent cost-of-living adjustment for purchased services.
193	—one-time maintenance and security projects.	9,150	—to replace nonrecurring prior year carryover.
<u> </u>		392	—to annualize the cost of special grants.
\$ -324	<i>Appropriation Decrease</i>		

Program: Human Services (continued)

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>\$ 275 —Initiative — Foster Care/Adoptive Family Recruitment. To recruit additional foster care and adoptive families for children in the child welfare system.</p> <p>856 —Initiative — Child Welfare Education for Leadership. To enhance higher educational opportunities for county children and youth workers.</p> <hr/> <p>\$ 89,785 <i>Appropriation Increase</i></p>	<p>County Child Welfare (continued)</p> <p>Community Based Family Centers —to provide a two percent cost-of-living adjustment.</p> <p>Domestic Violence —to provide a two percent cost-of-living adjustment.</p> <p>Rape Crisis —to provide a two percent cost-of-living adjustment.</p> <p>107 —to replace nonrecurring Federal funds.</p> <hr/> <p>\$ 224 <i>Appropriation Increase</i></p> <p>Breast Cancer Screening —to provide a two percent cost-of-living adjustment.</p> <p>Human Services Development Fund —to provide a two percent cost-of-living adjustment.</p> <p>Legal Services —to provide a two percent cost-of-living adjustment.</p>	<p>\$ 475 —to provide a two percent cost-of-living adjustment.</p> <p>Homeless Assistance</p> <p>Services to Persons with Disabilities —to provide a two percent cost-of-living adjustment.</p> <p>246 —to continue current program.</p> <p>-262 —revision of Federal financial participation from 53.67% to 54.39%.</p> <p>1,536 —PRR — Enhanced Home and Community-Based Services. This Program Revision provides home and community-based services for additional persons with disabilities and implements direct careworker recruitment and retention initiatives. See the Program Revision following this program for additional information.</p> <hr/> <p>\$ 1,738 <i>Appropriation Increase</i></p> <p>Attendant Care —to provide a two percent cost-of-living adjustment.</p> <p>800 —PRR — Enhanced Home and Community-Based Services. This Program Revision implements direct careworker recruitment and retention initiatives. See the Program Revision following this program for additional information.</p> <hr/> <p>\$ 1,266 <i>Appropriation Increase</i></p> <p>Respite Care —Initiative — Respite Care Services. To provide respite care services for families of children with severe disabilities and significant needs.</p>
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This budget also recommends the following Federal funds: \$5.215 million to enhance higher educational opportunities for county children and youth workers; and \$1 million to provide enhanced independent living services for youth in substitute care, including employment and training, housing assistance, substance abuse prevention and pregnancy prevention services.

This budget also recommends Federal funds for the following: \$4 million to increase parent-child verbal interaction through reading, conversation and play, better preparing children to enter school ready to succeed; \$2 million to facilitate the development of additional full-day full-year comprehensive Head Start child care services; and \$692,000 to train child care staff in the use of technology in classroom curriculum.

This budget also recommends Federal funds for the following: \$2 million to provide legal services to victims of domestic violence through local domestic violence programs and to provide enhanced training related to domestic violence legal issues; and \$1 million to expand the availability of medical advocacy services through collaborative partnerships between community-based domestic violence programs and local hospitals and health care facilities.

This budget also recommends Federal funds for the following: \$500,000 to provide statutory rape youth education and prevention programs; and \$500,000 to implement a Statewide sexual violence prevention education media campaign.

In addition, the Promoting Self-Sufficiency and Responsibility Program Revision following the Income Maintenance program provides \$2 million in Federal funds to expand the availability of homeless assistance services for additional individuals and families.

In addition, the Expanding Home and Community-Based Services Program Revision following this program provides \$8.3 million in Federal funds and \$1.1 million in Intergovernmental Transfer funds to provide home and community-based services for additional persons with disabilities and \$954,000 in Federal funds to implement direct careworker recruitment and retention initiatives.

Program: Human Services (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Youth Development Institutions and							
Forestry Camps	\$ 72,487	\$ 65,663	\$ 65,339	\$ 66,646	\$ 67,979	\$ 69,339	\$ 70,726
County Child Welfare	431,245	470,212	559,997	600,295	640,120	685,879	734,016
Community Based Family Centers	3,122	3,184	3,248	3,248	3,248	3,248	3,248
Child Care Services	58,513	59,683	59,683	59,683	59,683	59,683	59,683
Domestic Violence	11,449	11,678	11,912	11,912	11,912	11,912	11,912
Rape Crisis	5,728	5,843	6,067	6,067	6,067	6,067	6,067
Breast Cancer Screening	1,220	1,545	1,575	1,575	1,575	1,575	1,575
Human Services Development Fund	35,374	36,081	36,803	36,803	36,803	36,803	36,803
Legal Services	2,499	2,549	2,600	2,600	2,600	2,600	2,600
Homeless Assistance	23,221	23,737	24,212	24,212	24,212	24,212	24,212
Services to Persons with Disabilities	8,197	9,983	11,721	11,721	11,721	11,721	11,721
Attendant Care	22,837	23,300	24,566	24,566	24,566	24,566	24,566
Respite Care	0	0	2,500	5,000	5,000	5,000	5,000
Arsenal Family and Children's Center	160	160	160	160	160	160	160
TOTAL GENERAL FUND	\$ 676,052	\$ 713,618	\$ 810,383	\$ 854,488	\$ 895,646	\$ 942,765	\$ 992,289

Program Revision: Expanding Home and Community-Based Services

The Commonwealth has made significant investments over the last several years to provide opportunities for persons with disabilities and older Pennsylvanians to be as productive as possible, to fully participate in society and to remain in their home and communities. Historically, services for individuals with mental and physical disabilities and for the frail elderly have been provided in institutional settings, such as State mental retardation centers, State mental hospitals and nursing homes. As a result of medical and technological advancements and the development of more sophisticated service delivery systems, many of these individuals are now able to remain in their homes and communities with the appropriate supports. This Program Revision proposes \$155.7 million in total funds to continue the Commonwealth's commitment to provide services for individuals with disabilities and older Pennsylvanians 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 \$43 million in total funds to further enhance community opportunities for persons with mental retardation, including community residential placements for 937 persons on the waiting list, 150 residents of State centers, and 14 residents of State hospitals. In addition, home and community-based day and support services will be provided to 1,678 individuals on the waiting list.

This Program Revision also proposes to enhance community-based services for individuals with mental illness. Approximately \$9 million is recommended to expand the availability of home and community-based mental health services for persons currently residing in State mental hospitals. Through this initiative, 230 State hospital residents will be provided community residential placements with a similar reduction in State hospital beds.

The Commonwealth currently offers a variety of Medical Assistance waiver programs which enable persons with disabilities to remain in their homes and communities. This Program Revision provides approximately \$19 million in total funds to expand the availability of home and community-based waiver services for 427 additional persons with disabilities who would otherwise need more restrictive and expensive institutional care, including persons who need attendant care services, persons who are ventilator dependent and persons with physical and cognitive disabilities who are not eligible for other home and community-based services.

In addition, this Program Revision proposes significant revisions to the community long-term care system for older Pennsylvanians. Approximately \$30 million in total funds is recommended to provide 2,728 additional older Pennsylvanians with a comprehensive package of medical and support services in their own homes and communities rather than in nursing facilities. Of these individuals, 1,656 are projected to meet the Medical Assistance income and asset eligibility requirements and would receive all medically necessary services and supports offered through the Medical Assistance Program. The remaining 1,072 individuals are projected to meet the Medical Assistance income eligibility requirements but not the asset eligibility requirements. To obtain home and community-based services as an alternative to institutionalization, this Program Revision provides opportunities for these individuals to share in the cost of their care until their assets meet the Medical Assistance eligibility requirements, at which time the Medical Assistance Program would become responsible for all eligible home and community-based care costs.

This Program Revision also recommends \$10 million to provide home and community-based services for 4,500 individuals on Area Agency on Aging waiting lists who do not require the level of care provided in a nursing home. These services include many of those that are provided to individuals in need of nursing home care but are provided less frequently and with less intensity. Cost sharing will be implemented for most of these services as well. In addition, \$1 million is recommended to provide assistive technology purchases and/or home modifications for 500 low-income individuals to prevent the need for more intensive services.

These community long-term care system reforms will enable additional individuals to age at home with dignity while maximizing family and community involvement. To implement these changes, \$1.5 million is recommended to expand education and counseling for consumers and their families regarding their long term care options. In addition, \$1 million is recommended for Area Agency on Aging staff training and reorientation.

To ensure that home and community-based services offering alternatives to institutionalization continue to be provided by qualified personnel, this Program Revision recommends approximately \$33 million in total funds to implement direct careworker recruitment and retention initiatives. In addition, \$7.5 million in Federal funds is recommended for home and community-based care apprenticeship programs and \$500,000 in State funds is recommended to conduct best practice sessions and supervisory training.

Program Revision: Expanding Home and Community-Based Services (continued)

This Program Revision continues the Commonwealth's commitment to improving the quality of life for persons with disabilities and older Pennsylvanians. 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 and older Pennsylvanians to age at home with dignity and family.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Additional persons receiving community mental retardation services Program Revision	0	0	2,779	3,741	4,599	5,457	6,315
Additional residents of State mental hospitals discharged to home and community-based care Program Revision	0	0	230	230	230	230	230
Additional persons with disabilities receiving home and community-based services Program Revision	0	0	427	427	427	427	427
Additional older Pennsylvanians receiving comprehensive home and community-based alternatives to nursing home care Program Revision	0	0	2,728	6,383	8,125	8,875	9,242
Older Pennsylvanians on Area Agency on Aging waiting lists receiving home and community-based care Program Revision	0	0	4,500	4,500	4,500	4,500	4,500

Program Revision Recommendations: This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>GENERAL FUND PUBLIC WELFARE Community Mental Retardation Services</p> <p>\$ 24,355 —to provide home and community-based services for additional persons with mental retardation.</p> <p>11,900 —to implement direct careworker recruitment and retention initiatives.</p> <hr/> <p>\$ 36,255 <i>Appropriation Total</i></p> <p>Mental Health Services</p> <p>\$ 8,955 —to provide home and community-based services for persons currently residing in State mental hospitals.</p> <p>5,600 —to implement direct careworker recruitment and retention initiatives.</p> <hr/> <p>\$ 14,555 <i>Appropriation Total</i></p> <p>Services to Persons with Disabilities</p> <p>\$ 1,036 —to provide home and community-based services for additional persons with disabilities.</p> <p>500 —to implement direct careworker recruitment and retention initiatives.</p> <hr/> <p>\$ 1,536 <i>Appropriation Total</i></p>	<p>Attendant Care</p> <p>\$ 800 —to implement direct careworker recruitment and retention initiatives.</p> <p>General Government Operations</p> <p>\$ 500 —to conduct direct careworker recruitment and retention best practice sessions and supervisory training.</p> <p>AGING General Government Operations</p> <p>\$ 99 —to provide administrative support to implement the community long-term care system reforms.</p> <p>TOBACCO SETTLEMENT FUND AGING Community Care</p> <p>\$ 4,655 —to provide home and community-based services for older Pennsylvanians as an alternative to nursing home care.</p> <p>10,000 —to provide home and community based services to older Pennsylvanians on the Area Agency on Aging waiting list.</p> <p>1,000 —to provide assistive technology purchases and/or home modifications.</p>
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Program Revision: Expanding Home and Community-Based Services (continued)

Program Revision Recommendations: (continued)

This budget recommends the following changes:
(Dollar Amounts in Thousands)

<p>\$ 1,500 Community Care (continued) —to expand consumer education and counseling.</p> <p>1,000 —to provide Area Agency on Aging staff training and reorientation.</p> <hr/> <p>\$ 18,155 <i>Appropriation Total</i></p>	<p>LOTTERY FUND AGING PENNCARE —to implement direct careworker recruitment and retention initiatives.</p> <hr/> <p>\$ 2,200</p> <hr/> <p>\$ 83,782 <i>Program Revision Total</i></p>
<p>PUBLIC WELFARE Nursing Home Alternative Services —to provide home and community-based services for older Pennsylvanians as an alternative to nursing home care.</p> <p>\$ 9,682</p>	

In addition, this budget recommends \$18,567,000 in Federal funds to expand home and community-based services for persons with mental retardation; \$9,360,000 in Federal funds and \$9,049,000 in Intergovernmental Transfer funds to expand home and community-based services for persons with disabilities; \$15,126,000 in Federal funds to implement community long-term care system reforms, \$19,197,000 in Federal funds and \$600,000 in Intergovernmental Transfer funds to implement direct careworker recruitment and retention initiatives, including home and community-based care apprenticeship programs.

Recommended Program Revision Costs by Appropriation:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Aging							
General Government Operations -							
Lottery Fund	\$ 0	\$ 0	\$ 99	\$ 118	\$ 121	\$ 123	\$ 126
Public Welfare							
General Government Operations	0	0	500	0	0	0	0
Mental Health Services	0	0	14,555	17,563	10,918	10,187	9,416
State Centers for the Mentally Retarded	0	0	0	-1,948	-3,949	-3,949	-3,949
Community Mental Retardation Services ...	0	0	36,255	74,514	102,285	128,678	155,071
Services to Persons with Disabilities	0	0	1,536	1,536	1,536	1,536	1,536
Attendant Care	0	0	800	800	800	800	800
GENERAL FUND TOTAL	\$ 0	\$ 0	\$ 53,745	\$ 92,583	\$ 111,711	\$ 137,375	\$ 163,000
LOTTERY FUND:							
Aging							
PENNCARE	\$ 0	\$ 0	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200
TOBACCO SETTLEMENT FUND:							
Aging							
Community Care	\$ 0	\$ 0	\$ 18,155	\$ 22,780	\$ 35,137	\$ 42,292	\$ 45,935
Public Welfare							
Nursing Home Alternatives	0	0	9,682	17,320	22,179	25,763	28,593
TOBACCO SETTLEMENT							
FUND TOTAL	\$ 0	\$ 0	\$ 27,837	\$ 40,100	\$ 57,316	\$ 68,055	\$ 74,528
TOTAL ALL FUNDS	\$ 0	\$ 0	\$ 83,782	\$ 134,883	\$ 171,227	\$ 207,630	\$ 239,728



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)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations	\$ 131,267	\$ 136,978	\$ 139,813
(A)Cigarette Fines and Penalties.....	16	15	15
(A)Cigarette Tax Enforcement.....	383	650	663
(A)Services to Special Funds.....	8,181	6,942	7,058
(A)EDP and Staff Support.....	5,375	6,279	5,838
(A)Tax Information.....	139	150	148
(A)Private Letter Valuation Charges.....	1	0	0
(A)Local Sales Tax.....	2,506	2,907	2,967
(A)Small Games of Chance.....	213	218	210
General Operations - Lottery Administration	44,115	46,544	47,313
(A)License Fees.....	108	15	120
(A)Winning Number.....	120	136	114
(A)Annuity Assignment Fees.....	8	20	50
(A)Lottery Number Publications.....	1	0	0
(A)Sales of Automobiles.....	1	0	0
Commissions - Inheritance & Realty Transfer Taxes (EA)	6,991	6,996	7,060
Computer Acquisitions	470	0	0
Subtotal - State Funds.....	\$ 182,843	\$ 190,518	\$ 194,186
Subtotal - Augmentations.....	17,052	17,332	17,183
Total - General Government.....	\$ 199,895	\$ 207,850	\$ 211,369
Grants and Subsidies:			
Distribution of Public Utility Realty Tax	\$ 136,700	\$ 60,073^a	\$ 48,000
STATE FUNDS.....	\$ 319,543	\$ 250,591	\$ 242,186
AUGMENTATIONS.....	17,052	17,332	17,183
GENERAL FUND TOTAL	\$ 336,595	\$ 267,923	\$ 259,369
MOTOR LICENSE FUND:			
General Government:			
Collections - Liquid Fuels Tax	\$ 12,183	\$ 13,042	\$ 13,157
(A)Fuel Tax Enforcement.....	50	25	25
Subtotal - State Funds.....	\$ 12,183	\$ 13,042	\$ 13,157
Subtotal - Augmentations.....	50	25	25
Total - General Government.....	\$ 12,233	\$ 13,067	\$ 13,182
Refunds:			
Refunding Liquid Fuels Tax (EA)	\$ 7,000	\$ 6,680	\$ 9,000
STATE FUNDS.....	\$ 19,183	\$ 19,722	\$ 22,157
AUGMENTATIONS.....	50	25	25
MOTOR LICENSE FUND TOTAL	\$ 19,233	\$ 19,747	\$ 22,182
LOTTERY FUND:			
General Government:			
On-Line Vendor Commissions (EA)	\$ 32,777	\$ 38,646	\$ 39,142
Instant Vendor Commissions (EA)	10,900	10,110	12,205
Auditor General's Audit Costs (EA)	0	86	86
Payment of Prize Money (EA)	187,305	182,888	171,818
Total - General Government.....	\$ 230,982	\$ 231,730	\$ 223,251

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
Grants and Subsidies:			
Property Tax & Rent Assistance for Older Pennsylvanians (EA).....	\$ 71,640	\$ 155,500	\$ 140,000
LOTTERY FUND TOTAL.....	\$ 302,622	\$ 387,230	\$ 363,251
<u>RACING FUND:</u>			
General Government:			
Collections - State Racing (EA).....	\$ 216	\$ 222	\$ 228
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 319,543	\$ 250,591	\$ 242,186
SPECIAL FUNDS.....	322,021	407,174	385,636
AUGMENTATIONS.....	17,102	17,357	17,208
TOTAL ALL FUNDS.....	\$ 658,666	\$ 675,122	\$ 645,030

^a Includes recommended supplemental appropriation of \$7,073,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
REVENUE COLLECTION AND ADMINISTRATION							
GENERAL FUND.....	\$ 182,843	\$ 190,518	\$ 194,186	\$ 197,145	\$ 201,065	\$ 205,065	\$ 209,145
SPECIAL FUNDS.....	250,381	251,674	245,636	249,428	253,509	257,753	262,166
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	17,102	17,357	17,208	17,551	17,902	18,259	18,624
SUBCATEGORY TOTAL.....	\$ 450,326	\$ 459,549	\$ 457,030	\$ 464,124	\$ 472,476	\$ 481,077	\$ 489,935
COMMUNITY DEVELOPMENT AND PRESERVATION							
GENERAL FUND.....	\$ 136,700	\$ 60,073	\$ 48,000	\$ 37,000	\$ 38,850	\$ 40,793	\$ 42,832
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 136,700	\$ 60,073	\$ 48,000	\$ 37,000	\$ 38,850	\$ 40,793	\$ 42,832
HOMEOWNERS AND RENTERS ASSISTANCE							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	71,640	155,500	140,000	138,600	137,214	135,842	134,483
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 71,640	\$ 155,500	\$ 140,000	\$ 138,600	\$ 137,214	\$ 135,842	\$ 134,483
ALL PROGRAMS:							
GENERAL FUND.....	\$ 319,543	\$ 250,591	\$ 242,186	\$ 234,145	\$ 239,915	\$ 245,858	\$ 251,977
SPECIAL FUNDS.....	322,021	407,174	385,636	388,028	390,723	393,595	396,649
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	17,102	17,357	17,208	17,551	17,902	18,259	18,624
DEPARTMENT TOTAL.....	\$ 658,666	\$ 675,122	\$ 645,030	\$ 639,724	\$ 648,540	\$ 657,712	\$ 667,250

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.

Additionally, an internet version of PA TIDES has been implemented for tax filing enhancements. 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:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Collections from delinquent accounts (in millions)	\$496	\$480	\$480	\$480	\$480	\$480	\$480
Amounts due as a result of audit assessments (in millions)	\$202	\$142	\$146	\$151	\$155	\$160	\$165
Personal Income Tax:							
Returns Processed	5,707,558	5,859,000	5,864,000	5,869,000	5,874,000	5,879,000	5,884,000
Corporation Taxes Settlement Time:							
Tax Liabilities Less Than \$50,000							
Settled in 9 months or less	21,628	110,000	125,000	126,900	131,400	135,200	139,000
Settled in 10 months or longer	186,554	140,000	118,100	120,000	120,000	120,000	120,000
Tax Liabilities Greater than \$50,000							
Settled in 9 months or less	40	0	200	200	200	200	200
Settled in 10 to 13 months	2,882	5,700	5,700	5,900	5,400	5,600	5,800
Returns requiring manual processing	14,553	15,000	15,000	15,000	15,000	15,000	15,000
Total Settled Accounts	225,657	270,700	263,800	267,800	271,800	275,800	279,800
Total Active Accounts	239,420	244,000	249,000	253,000	257,000	261,000	265,000
Lottery operating costs as a percent of ticket sales	4.71%	5.15%	5.22%	5.25%	5.29%	5.33%	5.37%

Collections from delinquent accounts decrease from last year's budget due to the strong economy which has resulted in fewer delinquencies.

Amounts due as a result of audit assessments have been updated from last year's projections based on actual data containing a few large assessments which are not expected to recur in future year estimates.

The various Corporation Taxes Settled and Returns Requiring Manual Processing have been updated from last year's budget projections based on actual data and the latest evaluation of future year estimates. This activity was impacted by the revised Public Utility Realty Tax Assessment (PURTA) return process implemented in 1999. Measures of Tax Liabilities of Less than \$10,000 and Tax Liabilities \$10,000 to \$50,000 have been combined to Tax Liabilities Less than \$50,000 since the customer service goals for both are the same.

Program: Revenue Collection and Administration (continued)

Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	GENERAL FUND:		MOTOR LICENSE FUND:
	General Government Operations		Collections - Liquid Fuels Tax
\$ -1,749	—nonrecurring real estate tax rebate processing.	\$ 115	—to continue current program.
-1,500	—nonrecurring appeals docket system.		Refunding Liquid Fuels Tax (EA)
-244	—decrease in automating information systems related to Pennsylvania "S" Corporations and Partnership income tax returns.	\$ 2,320	—to continue current program.
343	—initial year of planned, three-year cycle of computer replacement.		LOTTERY FUND:
5,985	—to continue current program.	\$ 496	On-Line Vendor Commissions (EA)
<u>\$ 2,835</u>	<i>Appropriation Increase</i>		—to continue current program.
	General Operations - Lottery Administration	\$ 2,095	Instant Vendor Commissions (EA)
\$ 169	—to continue current program.		—based on the latest projection of program requirements.
600	—to continue back office accounting system.	\$ -11,070	Payment of Prize Money (EA)
<u>\$ 769</u>	<i>Appropriation Increase</i>		—based on the latest projection of program requirements.
	Commissions - Inheritance & Realty Transfer Taxes (EA)		RACING FUND:
\$ 64	—to continue current program.	\$ 6	Collections - Racing (EA)
			—to continue current program.

All other appropriations are recommended at the current year funding levels.



Includes accomplishment of the PRIME recommendation to implement two web-based applications for business. In the first, new businesses can register with the department via the internet, eliminating the need to complete a more than 20 page paper application; in the second all businesses now may file their sales and employer taxes through the web saving them time and the expense associated with processing these taxes manually.

Appropriations within this Program:

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
General Government Operations	\$ 131,267	\$ 136,978	\$ 139,813	\$ 141,697	\$ 144,520	\$ 147,401	\$ 150,339
General Operations - Lottery Administration	44,115	46,544	47,313	48,247	49,200	50,172	51,164
Commissions - Inheritance & Realty Transfer Taxes (EA)	6,991	6,996	7,060	7,201	7,345	7,492	7,642
Computer Acquisitions	470	0	0	0	0	0	0
TOTAL GENERAL FUND	<u>\$ 182,843</u>	<u>\$ 190,518</u>	<u>\$ 194,186</u>	<u>\$ 197,145</u>	<u>\$ 201,065</u>	<u>\$ 205,065</u>	<u>\$ 209,145</u>
MOTOR LICENSE FUND:							
Collections - Liquid Fuels Tax	\$ 12,183	\$ 13,042	\$ 13,157	\$ 13,420	\$ 13,688	\$ 13,962	\$ 14,241
Refunding Liquid Fuels Tax (EA)	7,000	6,680	9,000	9,000	9,000	9,000	9,000
TOTAL MOTOR LICENSE FUND	<u>\$ 19,183</u>	<u>\$ 19,722</u>	<u>\$ 22,157</u>	<u>\$ 22,420</u>	<u>\$ 22,688</u>	<u>\$ 22,962</u>	<u>\$ 23,241</u>

Program: Revenue Collection and Administration (continued)

Appropriations within this Program: (continued)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
LOTTERY FUND:							
On-Line Vendor Commissions (EA)	\$ 32,777	\$ 38,646	\$ 39,142	\$ 39,635	\$ 40,154	\$ 40,699	\$ 41,273
Instant Vendor Commissions (EA)	10,900	10,110	12,205	12,659	13,276	13,925	14,606
Auditor General's Audit Costs (EA)	0	86	86	86	86	86	86
Payment of Prize Money (EA)	187,305	182,888	171,818	174,395	177,067	179,838	182,712
TOTAL LOTTERY FUND	\$ 230,982	\$ 231,730	\$ 223,251	\$ 226,775	\$ 230,583	\$ 234,548	\$ 238,677
RACING FUND:							
Collections — State Racing (EA)	\$ 216	\$ 222	\$ 228	\$ 233	\$ 238	\$ 243	\$ 248

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.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Taxing authorities receiving funds	3,056	3,025	3,075	3,075	3,075	3,075	3,075

Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Distribution of Public Utility Realty Tax
 \$ -12,073 —reflects normal fluctuations in tax assessments.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Distribution of Public Utility Realty Tax	\$ 136,700	\$ 60,073	\$ 48,000	\$ 37,000	\$ 38,850	\$ 40,793	\$ 42,832

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 1999-00, the average tax assistance payment was \$244.24 and the average rent rebate was \$274.42.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Households provided property tax or rent assistance	278,746	367,500	375,000	371,250	367,550	363,900	360,300

Households provided property tax or rent assistance decrease from last year's budget as fewer households have applied than were initially estimated.

Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Property Tax & Rent Assistance for Older Pennsylvanians (EA)
 \$ -15,500 — reflects distribution based on increased eligibility with an exclusion of 50% of social security and railroad retirement benefit income taking effect in the current year offset by lower participation than initially estimated.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
LOTTERY FUND:							
Property Tax & Rent Assistance for Older Pennsylvanians(EA)	\$ 71,640	\$ 155,500	\$ 140,000	\$ 138,600	\$ 137,214	\$ 135,842	\$ 134,483



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)
 1999-00 2000-01 2001-02
 ACTUAL AVAILABLE BUDGET

GENERAL FUND:

General Government:

General Government Operations	\$	2,163	\$	2,199	\$	2,256
(A) Consumer Protection.....		4,252		4,466		5,160
Subtotal - State Funds.....	\$	2,163	\$	2,199	\$	2,256
Subtotal - Augmentations.....		4,252		4,466		5,160
Total - General Government.....	\$	6,415	\$	6,665	\$	7,416
STATE FUNDS.....	\$	2,163	\$	2,199	\$	2,256
AUGMENTATIONS.....		4,252		4,466		5,160
GENERAL FUND TOTAL	\$	6,415	\$	6,665	\$	7,416

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
SECURITIES INDUSTRY REGULATION							
GENERAL FUND.....	\$ 2,163	\$ 2,199	\$ 2,256	\$ 2,301	\$ 2,347	\$ 2,394	\$ 2,442
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	4,252	4,466	5,160	5,263	5,368	5,475	5,585
SUBCATEGORY TOTAL.....	\$ 6,415	\$ 6,665	\$ 7,416	\$ 7,564	\$ 7,715	\$ 7,869	\$ 8,027
ALL PROGRAMS:							
GENERAL FUND.....	\$ 2,163	\$ 2,199	\$ 2,256	\$ 2,301	\$ 2,347	\$ 2,394	\$ 2,442
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	4,252	4,466	5,160	5,263	5,368	5,475	5,585
DEPARTMENT TOTAL.....	\$ 6,415	\$ 6,665	\$ 7,416	\$ 7,564	\$ 7,715	\$ 7,869	\$ 8,027

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.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Securities filings received	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Securities filings cleared	5,688	5,700	5,700	5,700	5,700	5,700	5,700
Dollar amounts of securities cleared for sale (trillions):	\$126	\$164	\$164	\$164	\$164	\$164	\$164
Broker-dealers registered	2,598	2,676	2,756	2,839	2,924	3,012	3,102
Agents registered	139,248	146,210	153,521	161,197	169,257	177,720	186,606
Investment advisers registered	1,232	1,330	1,437	1,551	1,676	1,810	1,954
Investment adviser representatives registered	2,333	2,450	2,572	2,701	2,836	2,978	3,126
Formal investigations conducted	234	340	350	370	380	390	400

Securities filings received and cleared as well as the dollar amounts of securities cleared for sale increases from the projections shown in last year's budget due to continued economic expansion.

Investment adviser representatives registered increase from the projections shown in last year's budget due to expanded use of such representatives by investment advisers as opposed to establishing offices in Pennsylvania.

Formal investigations conducted 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 2000-01 and beyond due to staffing additions.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations
 \$ 57 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
General Government Operations	\$ 2,163	\$ 2,199	\$ 2,256	\$ 2,301	\$ 2,347	\$ 2,394	\$ 2,442



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.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	2001-02 State Funds (in thousands)
Enhancing Information Technology to Better Serve Pennsylvania		
	Voter Registration.....	\$ 8,500
<p>This Program Revision provides resources for an integrated voter registration system. This is part of the \$205.6 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.</p>		
	Department Total.....	<u>\$ 8,500</u>

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations	\$ 2,872	\$ 4,093	\$ 6,347
(A)Departmental Services.....	0 ^a	0 ^a	0 ^a
(R)Professional and Occupational Affairs.....	17,649 ^b	17,989 ^b	18,031 ^b
(R)State Board of Medicine.....	3,035 ^b	3,182 ^b	3,523 ^b
(R)State Board of Osteopathic Medicine.....	494 ^b	561 ^b	632 ^b
(R)State Board of Podiatry.....	161 ^b	190 ^b	217 ^b
(R)State Athletic Commission.....	317 ^b	310 ^b	346 ^b
(R)Corporation Bureau (EA).....	5,374 ^c	3,473 ^c	4,596 ^c
Subtotal.....	<u>\$ 29,902</u>	<u>\$ 29,798</u>	<u>\$ 33,692</u>
Voter Registration	737	951	9,328
Publishing Constitutional Amendments (EA)	0	600	600
Electoral College	0	10	0
Subtotal - State Funds.....	<u>\$ 3,609</u>	<u>\$ 5,654</u>	<u>\$ 16,275</u>
Subtotal - Restricted Revenues.....	<u>27,030</u>	<u>25,705</u>	<u>27,345</u>
Total - General Government.....	<u>\$ 30,639</u>	<u>\$ 31,359</u>	<u>\$ 43,620</u>
Grants and Subsidies:			
Voting of Citizens in Military Service	\$ 6	\$ 20	\$ 8
Voter Registration Study	0	250	0
County Election Expenses (EA)	0	52	400
Total - Grants and Subsidies.....	<u>\$ 6</u>	<u>\$ 322</u>	<u>\$ 408</u>
STATE FUNDS.....	\$ 3,615	\$ 5,976	\$ 16,683
RESTRICTED REVENUES.....	27,030	25,705	27,345
GENERAL FUND TOTAL	<u>\$ 30,645</u>	<u>\$ 31,681</u>	<u>\$ 44,028</u>
OTHER FUNDS:			
REAL ESTATE RECOVERY FUND:			
Real Estate Recovery Payments (EA).....	\$ 166	\$ 400	\$ 400
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 3,615	\$ 5,976	\$ 16,683
SPECIAL FUNDS.....	0	0	0
RESTRICTED.....	27,030	25,705	27,345
OTHER FUNDS.....	166	400	400
TOTAL ALL FUNDS	<u>\$ 30,811</u>	<u>\$ 32,081</u>	<u>\$ 44,428</u>

^a Not added to the total to avoid double counting: 1999-00 Actual is \$3,422,000, 2000-01 Available is \$3,333,000, and 2001-02 Budget is \$3,540,000.

^b Appropriated from a restricted revenue account.

^c Executive Authorization from a restricted revenue account.

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
CONSUMER PROTECTION							
GENERAL FUND.....	\$ 3,615	\$ 5,976	\$ 16,683	\$ 8,324	\$ 8,463	\$ 8,558	\$ 8,680
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	27,196	26,105	27,745	26,789	27,317	27,854	28,403
SUBCATEGORY TOTAL.....	\$ 30,811	\$ 32,081	\$ 44,428	\$ 35,113	\$ 35,780	\$ 36,412	\$ 37,083
ALL PROGRAMS:							
GENERAL FUND.....	\$ 3,615	\$ 5,976	\$ 16,683	\$ 8,324	\$ 8,463	\$ 8,558	\$ 8,680
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	27,196	26,105	27,745	26,789	27,317	27,854	28,403
DEPARTMENT TOTAL.....	\$ 30,811	\$ 32,081	\$ 44,428	\$ 35,113	\$ 35,780	\$ 36,412	\$ 37,083

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. Act 25 of 1995, the Pennsylvania Voter Registration Act, integrated voter registration into driver's license applications and made other voter registration changes to comply with the National Voter Registration Act. Nomination petitions for Statewide and legislative offices are reviewed for compliance with statutory standards and are processed for inclusion on the ballot. Campaign expense reports are filed and reviewed as required by the Election Code. The public is provided the opportunity to review the reports. The department tabulates, publishes and disseminates statistics for both voter registration and all elections; it also serves as the repository of the maps and descriptions of the Commonwealth's 9,464 election precincts.

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.

Fees are revised according to the specific enabling legislation for each board.

Program Element: Regulation of Consumer Products and Promotion of Fair Business Practices

This program element encompasses the activities of the Corporation Bureau, the Bureau 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 37,000 new corporations annually. It also registers approximately 24,000 trademarks and fictitious names as well as 136,000 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 has increased the number of charities required to register with the Department of State from 5,600 in 1997 to about 7,500 in 2001. The act also established a system of mandatory arbitration to resolve complaints of unfair competition filed by small businesses against charities.

The State Athletic Commission monitors and regulates all professional and amateur boxing and kickboxing, amateur wrestling contests, and the licensing of all persons who participate in these events. There are eleven categories of licenses issued by the Athletic Commission. These categories include announcer, boxer, judge, manager, matchmaker, physician, promoter (including those promoting professional wrestling), referee, second, timekeeper and trainer.

Program: Consumer Protection (continued)

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Voter registration transactions	1,859,118	1,300,000	1,200,000	1,200,000	1,500,000	1,200,000	1,200,000
Professional licenses and renewals issued .	413,685	425,000	425,000	425,000	425,000	425,000	425,000
Disciplinary actions by boards	1,260	1,300	1,300	1,300	1,300	1,300	1,300
Case files closed (BPOA)	5,434	5,500	5,500	5,500	5,500	5,600	5,700
Case files opened (BPOA)	5,679	5,100	5,400	5,500	5,600	5,700	5,800
Uniform Commercial Code financing statement filings and information requests fulfilled	149,230	152,000	152,000	152,000	152,000	152,000	152,000
Charity registrations	7,000	7,500	7,500	7,500	7,500	7,500	7,500
Open charities investigations	322	330	330	330	330	350	350
Closed charities investigations	320	330	330	330	330	330	330
Reviews of fictitious names, business corporations, trademark applications	155,905	160,000	160,000	160,000	160,000	160,000	160,000
Corporation information requests processed*	340,037	355,000	355,000	355,000	355,000	355,000	355,000

Voter registration transactions increased in 1999-00 from the projection shown in last year's budget because of the higher than expected interest in the presidential election.

Reviews of fictitious names, business corporations, and trademark applications decreased from the projections shown in last year's budget because of a decline in requests for changes.

*New measure to more fully identify the activities of the Corporation Bureau.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations

\$ -250 —nonrecurring campaign finance information project.

213 —to continue current program.

968 —Initiative — Computer Enhancements. To convert computer applications to a Sun/Oracle platform.

500 —Initiative — Electronic Filing of Campaign Finance Reports. To enable electronic filing of campaign finance reports via the internet.

823 —Initiative — Notary Public Reengineering Project. To redesign and automate the notary public application process.

\$ 2,254 *Appropriation Increase*

Voter Registration

\$ -129 —nonrecurring printing expenses for the presidential election.

6 —to continue current program.

8,500 —PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides for the development of an integrated voter registration system. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.

\$ 8,377 *Appropriation Increase*

Electoral College

\$ -10 —nonrecurring operating costs for the electoral college meeting.

Voting of Citizens in Military Service

\$ -12 —nonrecurring printing expenses for ballots for the presidential election.

Voter Registration Study

\$ -250 —nonrecurring project.

County Election Expenses (EA)

\$ 348 —to continue current program.

Publishing Constitutional Amendments (EA) is recommended at the current year funding level.

In addition, this budget recommends the following changes in appropriations and an executive authorization from restricted accounts:

Professional and Occupational Affairs

\$ -450 —nonrecurring professional licensing automation project.

149 —to continue current program.

118 —Initiative — Connection to the Justice Network. To provide a communications connection for access to the Justice Network.

225 —Initiative — Internet Filing for professional Licensure. To enable regulated professionals to apply for licenses via the internet and electronically submit and monitor other licensing requirements.

\$ 42 *Appropriation Increase*

Program: Consumer Protection (continued)

Program Recommendations: (continued) This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>State Board of Medicine</p> <p>\$ 298 —to continue current program.</p> <p>22 —Initiative — Connection to the Justice Network. To provide a communications connection for access to the Justice Network.</p> <p>21 —Initiative — Internet Filing for Professional Licensure. To enable regulated professionals to apply for licenses via the internet and electronically submit and monitor other licensing requirements.</p> <hr/> <p>\$ 341 <i>Appropriation Increase</i></p> <p>State Board of Osteopathic Medicine</p> <p>64 —to continue current program.</p> <p>4 —Initiative — Connection to the Justice Network. To provide a communications connection for access to the Justice Network.</p> <p>3 —Initiative — Internet Filing for Professional Licensure. To enable regulated professionals to apply for licenses via the internet and electronically submit and monitor other licensing requirements.</p> <hr/> <p>\$ 71 <i>Appropriation Increase</i></p>	<p>State Board of Podiatry</p> <p>\$ 25 —to continue current program.</p> <p>1 —Initiative — Connection to the Justice Network. To provide a communications connection for access to the Justice Network.</p> <p>1 —Initiative — Internet Filing for Professional Licensure. To enable regulated professionals to apply for licenses via the internet and electronically submit and monitor other licensing requirements.</p> <hr/> <p>\$ 27 <i>Appropriation Increase</i></p> <p>State Athletic Commission</p> <p>43 —to continue current program.</p> <p>-7 —nonrecurring operational costs</p> <hr/> <p>\$ 36 <i>Appropriation Increase</i></p> <p>Corporation Bureau (EA)</p> <p>\$ 44 —to continue current program.</p> <p>975 —Initiative — Computer Enhancements. To convert computer applications to a Sun/ Oracle platform.</p> <p>104 —Initiative — Expansion of Electronics Payments Options. To enable businesses to order and pay for certified documents via the internet.</p> <hr/> <p>\$ 1,123 <i>Appropriation Increase</i></p>
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Recommendations assume that fees for all boards will be sufficient to fund the recommended expenditure level.



Includes Prime recommendation to reduce the time needed to certify notaries by streamlining the application process.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
General Government Operations	\$ 2,872	\$ 4,093	\$ 6,347	\$ 4,137	\$ 4,220	\$ 4,304	\$ 4,390
Voter Registration	737	951	9,328	3,567	3,589	3,610	3,633
Publishing Constitutional Amendments (EA)	0	600	600	612	624	636	649
Electoral College	0	10	0	0	10	0	0
Voting of Citizens in Military Service	6	20	8	8	20	8	8
Voter Registration Study	0	250	0	0	0	0	0
County Election Expenses (EA)	0	52	400	0	0	0	0
TOTAL GENERAL FUND	\$ 3,615	\$ 5,924	\$ 16,283	\$ 8,324	\$ 8,463	\$ 8,558	\$ 8,680



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)		
	1999-00	2000-01	2001-02
	ACTUAL	AVAILABLE	BUDGET
<u>GENERAL FUND:</u>			
<i>Grants and Subsidies:</i>			
National Guard - Employer Contribution.....	\$ 6	\$ 10	\$ 0
	<hr/>	<hr/>	<hr/>
<u>OTHER FUNDS:</u>			
STATE EMPLOYEES' RETIREMENT FUND:			
State Employees' Retirement Administration.....	\$ 19,968	\$ 19,638	\$ 20,078
Directed Commissions.....	600	1,000	0
STATE EMPLOYEES' RETIREMENT FUND TOTAL.....	<u>\$ 20,568</u>	<u>\$ 20,638</u>	<u>\$ 20,078</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 6	\$ 10	\$ 0
SPECIAL FUNDS.....	0	0	0
OTHER FUNDS.....	20,568	20,638	20,078
TOTAL ALL FUNDS.....	<u><u>\$ 20,574</u></u>	<u><u>\$ 20,648</u></u>	<u><u>\$ 20,078</u></u>

State Employees' Retirement System

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
STATE EMPLOYEES' RETIREMENT							
GENERAL FUND.....	\$ 6	\$ 10	\$ 0	\$ 7	\$ 7	\$ 7	7
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	20,568	20,638	20,078	20,480	20,890	21,308	21,734
SUBCATEGORY TOTAL.....	\$ 20,574	\$ 20,648	\$ 20,078	\$ 20,487	\$ 20,897	\$ 21,315	\$ 21,741
ALL PROGRAMS:							
GENERAL FUND.....	\$ 6	\$ 10	\$ 0	\$ 7	\$ 7	\$ 7	7
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	20,568	20,638	20,078	20,480	20,890	21,308	21,734
DEPARTMENT TOTAL.....	\$ 20,574	\$ 20,648	\$ 20,078	\$ 20,487	\$ 20,897	\$ 21,315	\$ 21,741

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 three major sources of current income to the system have been earnings from investments, and employer and member contributions. The employer contribution rate is established annually by the board upon the recommendation of the actuary. Employer contribution rates differ in

accordance with the class of employees for which they are contributing. There is additional cost for employees in safety positions, the Legislature and the Judiciary. Current system 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.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Benefit payments processed	6,924	7,000	7,000	7,000	7,000	7,000	7,000
Return on investment (in millions)	\$4,360	\$2,490	\$2,618	\$2,744	\$2,872	\$1,998	\$3,125

The average processing time for benefit payments is 12 days.

Return on investment in the actual year is higher than the projections shown in last year's budget due to the effect of favorable economic factors. The expected returns for 2000-01 and beyond are based upon the current and projected world economic situation.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND	STATE EMPLOYEES' RETIREMENT FUND
<p>National Guard - Employer Contribution</p> <p>\$ -10 —to continue current program at lower costs due to higher investment earnings.</p>	<p>State Employees' Retirement Administration</p> <p>\$ 440 —to continue current program.</p>

In addition to these appropriations, no Directed Commission expenditures are anticipated for the budget and future years.

State Employees' Retirement System

Program: State Employees' Retirement (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
National Guard — Employer Contribution ..	\$ 6	\$ 10	\$ 0	\$ 7	\$ 7	\$ 7	\$ 7
STATE EMPLOYEES' RETIREMENT FUND:							
State Employees' Retirement							
Administration	\$ 19,968	\$ 19,638	\$ 20,078	\$ 20,480	\$ 20,890	\$ 21,308	\$ 21,734
Directed Commissions	600	1,000	0	0	0	0	0
TOTAL STATE EMPLOYEES' RETIREMENT FUND	\$ 20,568	\$ 20,638	\$ 20,078	\$ 20,480	\$ 20,890	\$ 21,308	\$ 21,734



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 2001-02, 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	2001-02 State Funds (in thousands)
Enhancing Information Technology to Better Serve Pennsylvania		
GENERAL FUND		
	CLEAN System.....	\$ 11,312
MOTOR LICENSE FUND		
	CLEAN System.....	<u>\$ 23,923</u>
	Program Revision Subtotal.....	<u><u>\$ 35,235</u></u>

This Program Revision provides resources for criminal history database redesign, CLEAN and computer system enhancements and implementation of the Incident Information Management System. This is part of the \$205.6 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

GENERAL FUND		
	General Government Operations.....	\$ 644
MOTOR LICENSE FUND		
	General Government Operations.....	<u>\$ 1,370</u>
	Program Revision Subtotal.....	<u><u>\$ 2,014</u></u>

This Program Revision provides civilian administrative support to enable Troopers to perform law enforcement functions and resources to enhance the Computer Crime Unit. This is part of the \$23.9 million Protecting Public Safety 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.

	Department Total.....	<u><u>\$ 37,249</u></u>
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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

1999-00 ACTUAL 2000-01 AVAILABLE 2001-02 BUDGET

GENERAL FUND:

General Government:

General Government Operations.....	\$ 129,433	\$ 138,794^a	\$ 143,720
(F)Drug Enforcement.....	230	230	260
(F)DNA Laboratory Improvement.....	315	303	0
(F)Sex Offender Registry.....	1,131	1,222	0
(F)Bulletproof Vests.....	0	1,473	1,473
(F)Computerized Identification.....	0	194	0
(F)Identification System Integration.....	0	163	163
(F)Marijuana Eradication.....	0	100	100
(F)DNA Analysis Outsourcing.....	0	653	0
(F)DCSI - Ballistics(EA).....	0	365	0
(F)DCSI - Robotic DNA Sampling(EA).....	0	113	0
(F)DCSI - Aerial Surveillance Equipment(EA).....	365	235	0
(F)DCSI - Redesign Crime Reporting System(EA).....	0	200	600
(F)DCSI - Digital Wiretap Network(EA).....	0	649	600
(F)DCSI - Minority Recruitment(EA).....	0	0	159
(F)Program Management(EA).....	11	20	20
(F)Central Repository Redesign(EA).....	800	800	800
(F)Motor Carrier Safety(EA).....	1,413	1,427	2,403
(F)DUI Enforcement(EA).....	586	600	600
(F)Safety Education(EA).....	19	25	25
(F)Interstate Highway Enforcement(EA).....	279	675	375
(F)Sobriety Test Training(EA).....	21	24	24
(F)Construction Zone Patrolling(EA).....	3,500	3,500	4,500
(F)Corridor Safety(EA).....	25	150	150
(F)Wiretap Repository(EA).....	31	0	0
(F)Regulatory Checkpoints(EA).....	175	277	0
(F)CLEAN Probation Link(EA).....	297	297	0
(F)Computerized Identification(EA).....	11	0	0
(F)Cops-in-Shops(EA).....	64	0	0
(F)Combat Underage Drinking(EA).....	343	360	360
(F)Information System for Lab and Crime Reports(EA).....	989	1,358	1,358
(F)PSP Against Child Exploitation(EA).....	0	299	299
(F)Crime Lab Enhancements(EA).....	968	1,800	1,800
(F)Occupant Protection(EA).....	0	550	550
(F)Hazardous Materials Suits(EA).....	0	0	150
(F)In-Car Video Cameras(EA).....	0	0	250
(F)Lab Improvements(EA).....	0	0	397
(F)Computer Crime Prevention(EA).....	0	0	488
(F)Criminal History Information(EA).....	0	0	232
(A)Turnpike Commission.....	20,287	21,200	22,257
(A)Sale of Automobiles.....	30	90	80
(A)Criminal History Record Checks.....	6,498	6,300	7,500
(A)Training Fees.....	133	40	45
(A)Reimbursement for Services.....	659	700	850
(A)Criminal History Fees - DPW.....	11	25	20
(A)Police Pursuits.....	48	40	50
(A)Bank Alarm Fees.....	0	60	60
(A)Fingerprint Record Checks.....	158	175	175
(A)Enforcement Reimbursements.....	0	40	40
(A)Registry of Protection.....	101	110	110
(A)Purchasing Card Rebates.....	25	20	25
(A)Transfer from Motor License Fund.....	0 ^b	0 ^b	0 ^b
Subtotal.....	<u>\$ 168,956</u>	<u>\$ 185,656</u>	<u>\$ 193,068</u>
CLEAN System.....	6,649	10,138	16,043
(A)Transfer from Motor License Fund.....	0 ^b	0 ^b	0 ^b
Municipal Police Training.....	4,141	4,368	5,158
(A)Transfer from Motor License Fund.....	0 ^b	0 ^b	0 ^b

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00	2000-01	2001-02
	ACTUAL	AVAILABLE	BUDGET
Patrol Vehicles.....	3,296	2,880	2,848
(A)Automobile Sales.....	2,008	1,500	1,675
(A)Transfer from Motor License Fund.....	0 ^b	0 ^b	0 ^b
Subtotal.....	\$ 5,304	\$ 4,380	\$ 4,523
Automated Fingerprint Identification System.....	261	529	637
(F)DCSI-Criminal History Data(EA).....	1,855	1,968	1,968
(F)Fingerprint Card Scanner(EA).....	0	320	320
(F)Fingerprint Analysis(EA).....	0	630	812
(F)Fingerprint Card Archiving(EA).....	0	0	397
Subtotal.....	\$ 2,116	\$ 3,447	\$ 4,134
Gun Checks.....	1,000	2,181	2,246
(R)Firearm Records Check.....	2,764	2,200	1,900
Subtotal.....	\$ 3,764	\$ 4,381	\$ 4,146
Subtotal - State Funds.....	\$ 144,780	\$ 158,890	\$ 170,652
Subtotal - Federal Funds.....	13,428	20,980	21,633
Subtotal - Augmentations.....	29,958	30,300	32,887
Subtotal - Restricted Revenues.....	2,764	2,200	1,900
Total - General Government.....	\$ 190,930	\$ 212,370	\$ 227,072
STATE FUNDS.....	\$ 144,780	\$ 158,890	\$ 170,652
FEDERAL FUNDS.....	13,428	20,980	21,633
AUGMENTATIONS.....	29,958	30,300	32,887
RESTRICTED REVENUES.....	2,764	2,200	1,900
GENERAL FUND TOTAL.....	\$ 190,930	\$ 212,370	\$ 227,072
<u>MOTOR LICENSE FUND:</u>			
<i>General Government:</i>			
General Government Operations.....	\$ 275,268	\$ 294,477	\$ 305,405
CLEAN System.....	14,340	21,543	33,976
Municipal Police Training.....	4,333	4,368	5,158
Patrol Vehicles.....	7,150	6,120	6,052
Subtotal.....	\$ 301,091	\$ 326,508	\$ 350,591
Total - General Government.....	\$ 301,091	\$ 326,508	\$ 350,591
MOTOR LICENSE FUND TOTAL.....	\$ 301,091	\$ 326,508	\$ 350,591
<u>OTHER FUNDS:</u>			
GENERAL FUND:			
Seized/Forfeited Property - Federal.....	\$ 1,232	\$ 500	\$ 500
State Drug Act Forfeiture Funds.....	967	500	500
State Criminal Enforcement Forfeiture Funds.....	0	10	10
Crime Lab User Fees.....	360	380	400
Auto Theft and Arson Fund.....	834	1,173	1,304
Insurance Fraud Prevention.....	236	250	250
GENERAL FUND TOTAL.....	\$ 3,629	\$ 2,813	\$ 2,964
DNA DETECTION FUND:			
DNA Detection of Offenders(EA).....	\$ 56	\$ 85	\$ 191

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
STATE STORES FUND:			
Liquor Control Enforcement.....	\$ 16,685	\$ 17,395	\$ 18,371
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 144,780	\$ 158,890	\$ 170,652
SPECIAL FUNDS.....	301,091	326,508	350,591
FEDERAL FUNDS.....	13,428	20,980	21,633
AUGMENTATIONS.....	29,958	30,300	32,887
RESTRICTED.....	2,764	2,200	1,900
OTHER FUNDS.....	20,370	20,293	21,526
TOTAL ALL FUNDS.....	\$ 512,391	\$ 559,171	\$ 599,189

^a Includes \$216,000 executively authorized from State Match for DCSI Subgrants appropriation in the Executive Offices.

^b 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)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
PUBLIC PROTECTION AND LAW ENFORCEMENT							
GENERAL FUND.....	\$ 144,780	\$ 158,890	\$ 170,652	\$ 173,214	\$ 176,622	\$ 178,030	\$ 181,575
SPECIAL FUNDS.....	301,091	326,508	350,591	356,774	363,787	366,548	373,844
FEDERAL FUNDS.....	13,428	20,980	21,633	21,684	21,744	21,805	21,872
OTHER FUNDS.....	53,092	52,793	56,313	57,289	58,117	59,007	60,187
SUBCATEGORY TOTAL.....	\$ 512,391	\$ 559,171	\$ 599,189	\$ 608,961	\$ 620,270	\$ 625,390	\$ 637,478
ALL PROGRAMS:							
GENERAL FUND.....	\$ 144,780	\$ 158,890	\$ 170,652	\$ 173,214	\$ 176,622	\$ 178,030	\$ 181,575
SPECIAL FUNDS.....	301,091	326,508	350,591	356,774	363,787	366,548	373,844
FEDERAL FUNDS.....	13,428	20,980	21,633	21,684	21,744	21,805	21,872
OTHER FUNDS.....	53,092	52,793	56,313	57,289	58,117	59,007	60,187
DEPARTMENT TOTAL.....	\$ 512,391	\$ 559,171	\$ 599,189	\$ 608,961	\$ 620,270	\$ 625,390	\$ 637,478

PROGRAM OBJECTIVE: The State Police enforce the law and preserve the peace through detection of crime and apprehension of criminals, patrol of highways, and enforcement of the vehicle and liquor codes.

Program: Public Protection and Law Enforcement

Program Element: Management

This program element provides direction and coordination for all line and staff activities of the State Police, including administrative and overhead systems for the operation of various law enforcement programs. Protection for the Governor and visiting dignitaries, security of the executive residence, and background investigations on State job applicants are components of this program.

The department's Information Technology Strategic Plan will utilize state-of-the-art technology to automate a full range of State Police functions. The initial phase, known as the Enterprise Network, improved communications and productivity through the installation of 2,800 personal computers with electronic mail and office software applications. A second phase, the Incident Information Management System (IIMS), is currently being implemented. Data terminals are being installed in patrol vehicles and bar-coding is being used to process evidence. Dispatching services will be improved through the use of global positioning systems and mapping programs to identify and assign the nearest available patrol unit to any incident, significantly reducing response times. When fully implemented, the IIMS will enhance the effectiveness and efficiency of troopers patrolling the highways by supplying critical crime and traffic information directly to their vehicles thus reducing the time they spend on paperwork.

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 and motor vehicle dealers.

Program Element: Traffic Supervision

Enforcing the Commonwealth's traffic laws is a major responsibility of the State Police. The department emphasizes reducing traffic 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. Aircraft piloted by State Police troopers routinely monitor the speeds of vehicles on interstate and secondary highways. This method of speed enforcement is especially effective against commercial vehicles and other vehicles equipped with citizen band radios and radar detecting devices.

Emphasis continues 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

Recently, the State Police have reemphasized the use of Driving Under the Influence (DUI) sobriety checkpoints to combat drunk driving. New breath testing instruments that use infrared absorption technology were effectively used to test over 2,500 suspected offenders of DUI in 1999.

The Commonwealth Commercial Vehicle Enforcement Program is a combined effort of the Pennsylvania State Police and the Pennsylvania Department of Transportation. One permanent facility along Interstate 80 and 26 mobile weight teams throughout the State enforce the Commonwealth's vehicle weight and size limitations. The State Police also participate in the Federal Motor Carrier Safety Assistance Program (MCSAP). MCSAP consists of 238 active inspectors throughout the State enforcing Federal Motor Carrier Safety Regulations. These regulations pertain to drivers, equipment, documents, loads and hazardous materials transportation. Federal regulations are applicable to both interstate and intrastate motor carrier vehicles. In addition, the State Police aggressively conduct a program to reduce the number of truck crashes occurring in Pennsylvania through the Troop Truck Crash Prevention Initiative (TTCPI). TTCPI concentrates on the detection and enforcement of moving traffic violations committed by commercial motor vehicle drivers. The operations are directed toward reducing crashes on specific highways and areas that have been identified as having a high number of commercial vehicle crashes.

Program: Public Protection and Law Enforcement (continued)

In a program sponsored by the National Highway Traffic Safety Administration, 115 Pennsylvania State Troopers have been trained and certified as child passenger safety technicians. In the fall of 2000, the State Police implemented permanent child safety fitting stations. Each station conducts inspections on a designated date at posted times at least once a month.

Program Element: Crime Prevention

Combating crime is not the responsibility of police alone. It requires the active, organized involvement of the public if any significant results are to be realized. The State Police crime prevention mission is to reduce the incidence of crime through citizen involvement and educational crime prevention techniques. This includes programs such as neighborhood crime watch groups, block parents, 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.

The Citizens' Police Academy Program offers a 10-12 week seminar providing members of the public with an opportunity to learn about various law enforcement issues and resources. Speakers from the Pennsylvania State Police, federal and local agencies discuss law enforcement topics such as patrol techniques and criminal investigations, DNA analysis, and the role of the State Police Special Emergency Response Team.

Program Element: Criminal Law Enforcement

The majority of State Police efforts in criminal law enforcement are performed at the station level and consists of investigations of violence and property crimes. At the Statewide level, there are special investigations involving drugs and narcotics, organized crime, white-collar crime, public corruption, arson and criminal personality profiling.

The Bureau of Drug Law Enforcement is composed of Tactical Narcotic Teams and other special units that investigate the importation, manufacture, distribution and use of illegal drugs in the Commonwealth. State Police troopers, along with municipal, State and Federal agencies, target major drug trafficking organizations utilizing a comprehensive strategy that involves intelligence gathering, financial background information, criminal investigation and asset forfeiture proceedings.

A Computer Crime Unit provides investigative assistance to all local, State, and Federal law enforcement agencies in cases where a computer has been utilized for a criminal purpose. The unit is equipped with the newest technology and is comprised of several full-time and part-time computer crime investigators assigned at strategic locations throughout the state. The Computer Crime Unit also provides

educational information for local law enforcement agencies and prosecutors.

Program Element: Emergency Assistance

The State Police are normally called upon whenever any emergency situation occurs within the Commonwealth. The department has primary police jurisdiction in 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.

The Special Emergency Response Team (SERT) is comprised of carefully selected, uniquely trained, and specially equipped troopers responsible for an incident-specific approach to high-risk and special emergency situations. Specially trained K-9 Dog Teams provide drug, arson, and explosive detection during emergency incidents. The department's fleet of seven helicopters and seven airplanes are frequently called upon to provide assistance during emergencies.

Program Element: Liquor Control Enforcement

The Bureau of Liquor Control Enforcement directs and controls a coordinated enforcement effort toward violations of the Pennsylvania Liquor Code and related sections of the Crimes Code. Operations include covert and overt investigations, assisting municipal police agencies, conducting routine license investigations, and performing establishment audits and border patrols. The State Police have implemented a high school and middle school education program to deter minors from using alcoholic beverages. Called "Choices", the program involves a liquor control enforcement officer speaking to school students. During the 1999-00 school year, over 1,340 programs were presented to 94,968 Pennsylvania school students.

The State Police have recently implemented the Enforcing the Underage Drinking Laws Program to effect a change in the culture of college students to reduce binge drinking and deglamorize underage drinking. The project consists of establishing partnerships with college administrators, college students, the alcohol industry and community members to determine and implement effective measures to reduce the harmful consequences caused by underage and binge drinking. To date, nine universities are participating in these partnerships.

Program: Public Protection and Law Enforcement (continued)

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Vehicle Standards Control							
School bus and mass transit vehicle inspections	26,036	26,000	26,000	26,000	26,000	26,000	26,000
Traffic Supervision							
Accidents per 1,000 miles of highway in Pennsylvania	1,315	1,321	1,326	1,331	1,336	1,341	1,346
Accidents per 1,000 miles of highway patrolled by State Police	616	618	620	622	624	626	628
Traffic citations issued	449,430	465,000	465,000	465,000	465,000	465,000	465,000
Crime Prevention							
Crimes per 100,000 population in State Police jurisdiction areas:							
Against persons	125	125	125	125	125	125	125
Against property	1,122	1,100	1,100	1,100	1,100	1,100	1,100
Criminal Law Enforcement							
Crimes against persons:							
Persons arrested	2,320	2,330	2,350	2,370	2,390	2,410	2,430
Clearance rate	66%	66%	66%	66%	66%	66%	66%
Percent of those arrested who are convicted	52%	56%	56%	56%	56%	56%	56%
Crimes against property:							
Persons arrested	9,214	9,300	9,340	9,380	9,420	9,460	9,500
Clearance rate	24%	23%	23%	23%	23%	23%	23%
Percent of those arrested who are convicted	83%	83%	83%	83%	83%	83%	83%
Liquor Control Enforcement							
Enforcement investigations	29,898	36,000	36,000	36,000	36,000	36,000	36,000

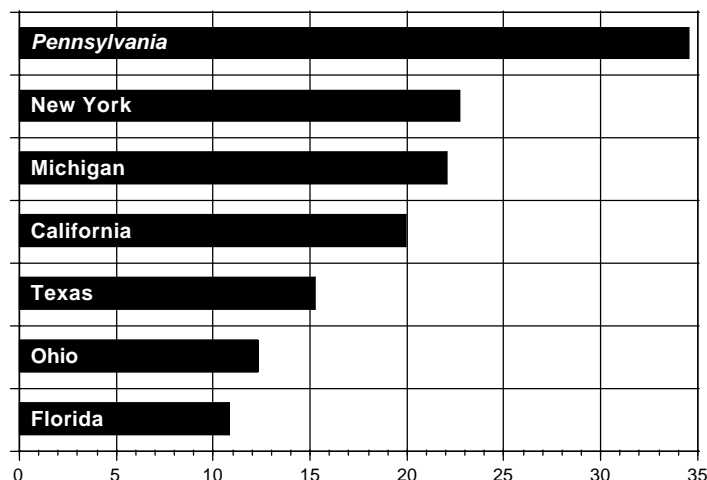
Crimes against persons - persons arrested increased from projections shown in last year's budget due to more intensive efforts relating to investigation of crimes committed against persons.

Crimes against property - persons arrested decreased from projections shown in last year's budget due to a refocusing of efforts away from crimes against property and more towards crimes against persons.

Liquor control enforcement investigations decreased in 1999-00 from the projection shown in last year's budget due to enforcement efforts being more proactive than reactive. For example, proactive efforts were significantly increased in the Enforcing the Underage Drinking Laws Program which is targeted to the reduction of underage drinking among college students.

State Police

Per 100,000 Population

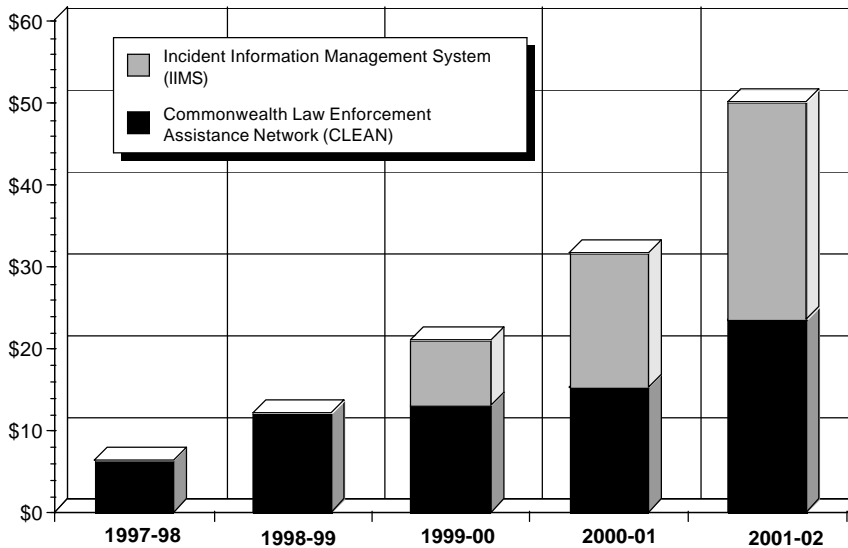


Full-time law enforcement officers as of October 1999.

Program: Public Protection and Law Enforcement (continued)

State Police Information Technology

Millions



Funding for State Police Information Technology is projected to increase from \$6.4 million in 1997-98 to \$50 million recommended for 2001-02, an increase of 680%.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	GENERAL FUND AND MOTOR LICENSE FUND COMBINED:				
	General Government Operations		\$	29,375	CLEAN System
\$	1,548	—PRR — Protecting Public Safety. This Program Revision provides civilian administrative support and enables Troopers to perform law enforcement duties. See the Program Revision following the Institutionalization of Offenders program in the Department of Corrections for additional information.			—PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides resources for computer system enhancements to the Enterprise Network, software upgrades to the CLEAN Network and continued technical and administrative support and technology to implement an Incident Information Management System and Consolidated Dispatch Centers. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.
	466	—PRR — Protecting Public Safety. This Program Revision provides administrative resources to identify incidents of criminal activity committed using computer technology. See the Program Revision following the Institutionalization of Offenders program in the Department of Corrections for additional information.		5,860	—PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides resources to redesign the criminal history repository to allow for image archiving and retrieval, integration with other departmental information systems and e-commerce applications for criminal history background checks. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.
	350	—Initiative — Enhanced Recruitment Activities. To enhance minority recruitment activities.			—to acquire additional data terminals for patrol vehicles.
	33	—Initiative — Aviation Support. To provide maintenance support to the Bureau of Aviation.			—nonrecurring 2000-01 costs.
	8,237	—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.		1,200	
	2,500	—to continue improvements in the public safety radio system.		—18,097	
	2,000	—to replace and upgrade one helicopter.		\$	18,338
	370	—for equipment enhancements in the crime labs.		\$	1,500
	350	—to refurbish additional patrol vehicles.			80
\$	15,854	<i>Appropriation Increase</i>		\$	1,580
					<i>Appropriation Increase</i>

Program: Public Protection and Law Enforcement (continued)

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 8,900 —9,000 <hr style="width: 50%; margin-left: 0;"/> \$ —100	Patrol Vehicles —to replace approximately 500 patrol vehicles. —nonrecurring 2000-01 cost of vehicle replacements. <i>Appropriation Decrease</i>	\$ 454 422 100 <hr style="width: 50%; margin-left: 0;"/> \$ 976	STATE STORES FUND: Liquor Control Enforcement —Initiative — Enhanced Liquor Enforcement Activities. To provide additional administrative support for liquor enforcement activities. —to continue current program. —to replace high mileage vehicles. <i>Appropriation Increase</i>
\$ 108	Automated Fingerprint Identification System —to continue current program.		
\$ 65	Gun Checks —to supplement the Firearm Records Check Fund.		

In addition, this budget also recommends \$257,000 in augmentations to the State Police to provide civilian administrative support and enable Troopers to perform law enforcement duties



Includes the PRIME recommendation to undertake methods to reduce the time needed to receive and process applications for criminal background checks.

Appropriations within this Program:

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
General Government Operations	\$ 129,433	\$ 138,794	\$ 143,720	\$ 146,954	\$ 149,894	\$ 152,892	\$ 155,949
CLEAN System	6,649	10,138	16,043	15,918	16,179	14,378	14,650
Municipal Police Training	4,141	4,368	5,158	4,496	4,586	4,678	4,772
Patrol Vehicles	3,296	2,880	2,848	2,905	2,963	3,022	3,082
Automated Fingerprint Identification System	261	529	637	650	663	676	690
Gun Checks	1,000	2,181	2,246	2,291	2,337	2,384	2,432
TOTAL GENERAL FUND	\$ 144,780	\$ 158,890	\$ 170,652	\$ 173,214	\$ 176,622	\$ 178,030	\$ 181,575
MOTOR LICENSE FUND:							
General Government Operations	\$ 275,268	\$ 294,477	\$ 305,405	\$ 312,279	\$ 318,524	\$ 324,894	\$ 331,391
CLEAN System	14,340	21,543	33,976	33,826	34,381	30,554	31,131
Municipal Police Training	4,333	4,368	5,158	4,496	4,586	4,678	4,772
Patrol Vehicles	7,150	6,120	6,052	6,173	6,296	6,422	6,550
TOTAL MOTOR LICENSE FUND	\$ 301,091	\$ 326,508	\$ 350,591	\$ 356,774	\$ 363,787	\$ 366,548	\$ 373,844
STATE STORES FUND:							
Liquor Control Enforcement	\$ 16,685	\$ 17,395	\$ 18,371	\$ 18,587	\$ 18,641	\$ 19,014	\$ 19,394



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.

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

1999-00 2000-01 2001-02
ACTUAL AVAILABLE BUDGET

GENERAL FUND:

General Government:

General Government Operations..... \$ 1,319 \$ 1,349 \$ 1,388

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
EDUCATION SUPPORT SERVICES							
GENERAL FUND.....	\$ 1,319	\$ 1,349	\$ 1,388	\$ 1,416	\$ 1,444	\$ 1,473	\$ 1,502
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 1,319	\$ 1,349	\$ 1,388	\$ 1,416	\$ 1,444	\$ 1,473	\$ 1,502
ALL PROGRAMS:							
GENERAL FUND.....	\$ 1,319	\$ 1,349	\$ 1,388	\$ 1,416	\$ 1,444	\$ 1,473	\$ 1,502
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	\$ 1,319	\$ 1,349	\$ 1,388	\$ 1,416	\$ 1,444	\$ 1,473	\$ 1,502

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 hearings and analyzing real estate values and transactions. Act 267 of 1982 requires the board to establish annually a common level ratio of assessed value to market value in each county for the prior calendar year.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 39 **General Government Operations**
 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
General Government Operations	\$ 1,319	\$ 1,349	\$ 1,388	\$ 1,416	\$ 1,444	\$ 1,473	\$ 1,502



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.

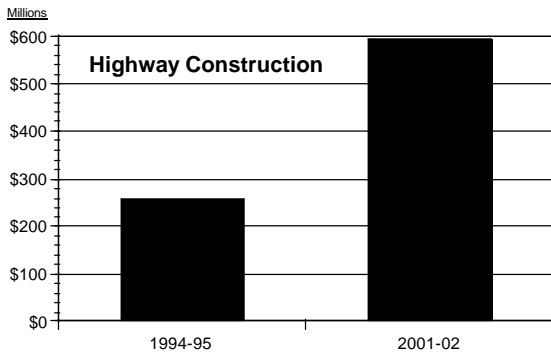
PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	2001-02 State Funds (in thousands)
Enhancing Information Technology to Better Serve Pennsylvania		
MOTOR LICENSE FUND		
	General Government Operations.....	\$ 1,507
	Highway and Safety Improvements.....	12,054
	Highway Maintenance.....	13,560
	Safety Administration and Licensing.....	<u>3,013</u>
	Program Revision Subtotal.....	<u>\$ 30,134</u>
<p>This Program Revision provides resources for information technology interfaces and enhancements and administrative software suite development. This is part of the \$205.6 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.</p>		
	Department Total.....	<u><u>\$ 30,134</u></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 \$335 million, or 130%, from fiscal year 1994-95 to 2001-02. In addition, it is estimated that over \$1 billion in Federal funds will also be available in 2001-02, bringing the total for highway construction to over \$1.6 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 34% from 1994-95 to 2001-02.

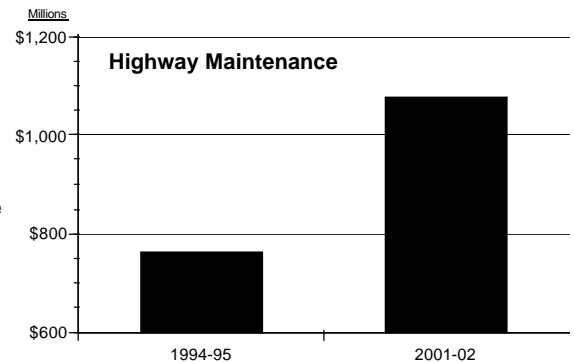
Projects such as the relocation and new construction on US 322, (Warren Street Bypass), in Berks County, widening of US 30 in Lancaster County and restoration of a 4 mile section of I-79 in Erie County are now able to be advanced to the final design and project award stages.

HIGHWAY MAINTENANCE

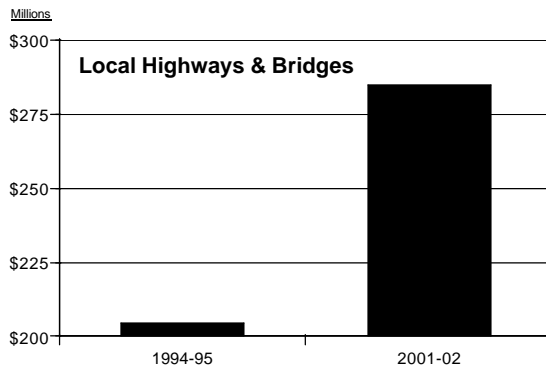
Increases of over \$311 million, or 41%, from 1994-95 to 2001-02 and planned State expenditures for 2001-02 that will exceed \$1 billion will enable the department to upgrade its maintenance program on the 40 thousand miles of highway maintained by the State. In addition, it is estimated that \$193 million in Federal funds will also be available in 2001-02, bringing the total for highway maintenance to almost \$1.3 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 76% from 1994-95 to 2001-02.

These actions will facilitate the flow of traffic for drivers on Pennsylvania's highways.



Local Highway and Transit Assistance



LOCAL HIGHWAYS 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 6,300 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 \$285 million in 2001-02, an increase of over 39%.

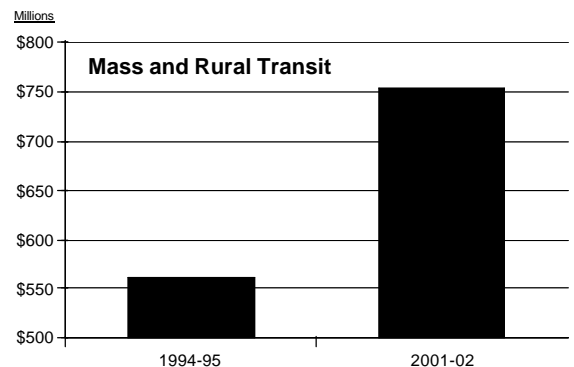
This will enable our local governments to increase the number of bridges brought up to standard and miles of local highways improved by over 234 miles, or an increase of almost 16%.

MASS AND RURAL TRANSIT

State funding for transit, including capital and Older Pennsylvanians Free Transit Lottery funds has increased by \$192 million, or over 34%, from 1994-95 to 2001-02 recommended amounts. This money is used for various capital projects, operations and asset maintenance.

Increased 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)		
	1999-00	2000-01	2001-02
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
General Government:			
Transit and Rail Freight Operations.....	\$ 1,854	\$ 1,985	\$ 2,031
(F)FTA - Technical Studies Grants.....	2,260	2,934	3,064
(F)Capital Assistance.....	125	131	136
(F)Surface Transportation Assistance.....	516	888	888
(F)FTA - Capital Improvement Grants.....	5,075	4,000	4,000
(F)Title IV Rail Assistance.....	3	43	44
(R)Project Management Oversight - PTAF (EA).....	683	1,000	1,000
(A)Local Contribution - Rail Freight.....	11	25	25
(A)PTAF - Oversight.....	0 ^a	0 ^a	0 ^a
Rail Safety Inspection.....	429	442	455
Vehicle Sales Tax Collections.....	1,855	1,911	1,968
Welcome Centers.....	1,770	2,255	2,358
Relocation of Transportation and Safety Operations.....	172	174	0
Voter Registration.....	885	960	989
Organ Donor Operations.....	0	100	103
Comprehensive Rail Freight Study.....	0	0	125
Subtotal - State Funds.....	\$ 6,965	\$ 7,827	\$ 8,029
Subtotal - Federal Funds.....	7,979	7,996	8,132
Subtotal - Augmentations.....	11	25	25
Subtotal - Restricted Revenues.....	683	1,000	1,000
Total - General Government.....	\$ 15,638	\$ 16,848	\$ 17,186
Grants and Subsidies:			
Mass Transportation Assistance.....	\$ 262,048	\$ 270,019	\$ 270,019
Rural Transportation Assistance.....	1,998	2,000	2,000
(F)TANFBG - Access to Jobs.....	4,280	10,000	10,000
(F)TEA 21 - Access to Jobs.....	0	2,000	2,000
Fixed Route Transit.....	20,219	25,090	25,090
Intercity Transportation.....	2,094	2,139	2,203
(F)Surface Transportation - Operating.....	6,753	9,000	9,000
(F)Surface Transportation Assistance Capital.....	138	4,000	4,000
(F)FTA - Capital Improvements.....	0	27,000	27,000
(F)FTA - Intelligent Vehicles - Public Transit.....	0	3,850	3,885
(F)FTA - Intelligent Transit System Deployment.....	0	20,000	20,000
(R)Technical Assistance - PTAF (EA).....	1,702	5,157	1,524
(R)Community Transportation Equipment Grants - PTAF (EA).....	2,818	3,100	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).....	1,461	1,624	1,200
Maglev.....	0	1,750	0
Rail Freight Assistance.....	8,213	8,500	8,500
(A)Reimbursement - Rail Freight Assistance.....	101	200	200
Subtotal - State Funds.....	\$ 294,572	\$ 309,498	\$ 307,812
Subtotal - Federal Funds.....	11,171	75,850	75,885
Subtotal - Augmentations.....	101	200	200
Subtotal - Restricted Revenues.....	79,781	83,681	78,824
Total - Grants and Subsidies.....	\$ 385,625	\$ 469,229	\$ 462,721
STATE FUNDS.....	\$ 301,537	\$ 317,325	\$ 315,841
FEDERAL FUNDS.....	19,150	83,846	84,017
AUGMENTATIONS.....	112	225	225
RESTRICTED REVENUES.....	80,464	84,681	79,824
GENERAL FUND TOTAL.....	\$ 401,263	\$ 486,077	\$ 479,907

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00	2000-01	2001-02
	ACTUAL	AVAILABLE	BUDGET
MOTOR LICENSE FUND:			
General Government:			
General Government Operations.....	\$ 31,187	\$ 35,954	\$ 46,471
Highway Systems Technology.....	25,994	34,735	25,000
Refunding Collected Monies (EA).....	3,994	4,500	4,500
Relocation of Transportation and Safety Operations.....	5,752	3,589	0
(F)Reimbursement - General Government.....	0	10	0
(F)Federal Aid - Intelligent Transportation System.....	93	901	2,934
(A)Reimbursement - Other Agencies.....	174	181	0
(A)Mass Transportation.....	105	95	95
(A)Duplicating Services.....	60	114	114
(A)Aviation Restricted Revenue.....	107	121	121
(A)Administrative Hearings.....	40	43	40
(A)Intern Program - PHEAA Reimbursement.....	32	55	30
(A)Reimbursement - Postage.....	0	30	5
(A)Reimbursement Lease Payments - Department of Health.....	0	0	75
(A)Litter Fine Receipts.....	0	0	9
Subtotal.....	\$ 67,538	\$ 80,328	\$ 79,394
Highway and Safety Improvements.....	175,000	175,000	196,000
Security Wall Pilot Program.....	20,000	11,000	10,000
Highway Capital Projects (EA).....	192,800	203,900	210,200
(F)Highway Research, Planning and Construction.....	523,202	602,933	858,516
(F)Highway Safety Program.....	108	100	100
(A)Highway Construction Contributions.....	10,650	5,000	6,000
(A)Intern Program - PHEAA Reimbursement.....	95	0	0
(R)Highway Capital Projects - Excise Tax (EA).....	51,052	51,457	55,347
(R)Highway Bridge Projects (EA).....	58,312	80,000	80,000
(R)Bridges - Excise Tax (EA).....	39,011	40,999	42,324
(F)Federal Aid - Highway Bridge Projects.....	125,535	140,000	150,000
(F)Federal Disaster Reimbursement - FHWA.....	450	0	0
(A)Bridge Construction Contributions.....	912	1,800	1,800
(A)Bridge Reimbursement from Local Governments.....	13	200	200
Subtotal.....	\$ 1,197,140	\$ 1,312,389	\$ 1,610,487
Highway Maintenance.....	621,406	639,000	662,750
Secondary Roads - Maintenance and Resurfacing (EA).....	59,974	62,279	62,333
Highway Maintenance Safety Projects.....	45,000	15,000	15,000
Reinvestment - Facilities.....	6,140	6,140	9,148
(F)Highway Research, Planning and Construction.....	106,035	185,000	190,000
(F)State and Community Highway Safety.....	1,959	3,000	3,000
(F)Federal Disaster Reimbursement - DEP.....	2,492	0	0
(F)Federal Disaster Reimbursement - FHWA.....	1,225	0	0
(R)Highway Maintenance - Excise Tax (EA).....	127,186	131,306	136,740
(R)Highway Maintenance Enhancement (EA).....	127,027	147,717	198,512
(R)Highway Betterment (EA).....	41,026	106,154	0
(A)Highway Maintenance Contributions.....	8,496	9,680	10,700
(A)Sale of Automobiles.....	228	300	300
(A)Sale of Gas, Oil and Antifreeze.....	7	200	100
(A)Sale of Equipment.....	2,566	3,000	3,500
(A)Heavy Hauling - Bonded Roads.....	355	600	500
(A)Sale of Signs.....	142	200	200
(A)Accident Damage Claims.....	3,433	5,000	5,000
(A)Litter Fine Receipts.....	9	9	0
(A)Recovered Permit Compliance Cost.....	0	11	0
(A)Intern Program - PHEAA Reimbursement.....	94	200	200
(A)Reimbursement - Maintenance of Drivers Exam Sites.....	0 ^b	0 ^b	0 ^b
(A)Reimbursement - Superpave Projects.....	0 ^c	0 ^c	0 ^c
Subtotal.....	\$ 1,154,800	\$ 1,314,796	\$ 1,297,983

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
Safety Administration and Licensing.....	99,930	107,517	119,252
Enhanced Titling and Registration.....	10,100	13,400	6,100
(F)State and Community Highway Safety.....	30	615	600
(F)Reimbursement - Drivers License Suspension/Denial.....	0	88	100
(F)Reimbursement - Advertising Emmission Inspection.....	0	750	750
(F)Reimbursement - Ignition Interlock System.....	0	736	0
(F)Congestion Mitigation Air Quality.....	0	1,000	1,000
(A)Administrative Support.....	133	100	100
(A)Computer Support.....	122	300	300
(A)Photo ID Program.....	11,475	11,100	13,700
(A)Vehicle Sales Tax Collections.....	0 ^d	0 ^d	0 ^d
(A)Emission Mechanic Training Courses.....	1	10	10
(A)Reimbursement - Special Plates Administrative Costs.....	79	175	175
(A)Reimbursement - Data Line Charges.....	156	350	350
(A)Reimbursement - Information Technology.....	0	1,500	0
(A)Reimbursement - Organ Donor Program.....	0 ^e	0 ^e	0 ^e
Subtotal.....	\$ 122,026	\$ 137,641	\$ 142,437
(R)Aviation Operations.....	3,620 ^f	5,071 ^f	5,252 ^f
(F)Aviation Planning.....	13	16	11
(F)Reimbursement - Statewide Program.....	0	1,719	1,113
(F)Airport Inspections.....	6	6	6
(F)Federal Aid - Other State Airports.....	121	0	0
(A)Reimbursement - Flight Operations.....	745	800	985
(A)Airport Inspections and Licensing.....	16	5	5
(A)General Fund Reimbursement.....	24	0	0
(A)Reimbursement - Statewide Program.....	12	36	32
(A)Reimbursement - General Fund Flight Services.....	0 ^g	0 ^g	0 ^g
(A)Airport Improvement Program - Other State Airports.....	130	0	0
(A)Reimbursement - Other State Airports.....	3	0	0
Subtotal.....	\$ 4,690	\$ 7,653	\$ 7,404
Subtotal - State Funds.....	\$ 1,297,277	\$ 1,312,014	\$ 1,366,754
Subtotal - Federal Funds.....	761,269	936,874	1,208,130
Subtotal - Augmentations.....	40,414	41,215	44,646
Subtotal - Restricted Revenues.....	447,234	562,704	518,175
Total - General Government.....	\$ 2,546,194	\$ 2,852,807	\$ 3,137,705
 Grants and Subsidies:			
Local Road Maintenance and Construction Payments.....	\$ 174,992	\$ 179,302	\$ 180,772
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).....	36,499	37,133	39,092
(R)Payments to Municipalities (EA).....	26,661	25,653	27,357
(R)Local Grants for Bridge Projects (EA).....	3,808	25,000	25,000
(R)County Bridges - Excise Tax (EA).....	3,683	7,554	7,851
(F)Federal Aid - Local Grants for Bridge Projects.....	430	800	800
(F)Federal Aid - County Bridges.....	68	200	200
(A)Local Governments.....	35	200	200
(R)Toll Roads - Excise Tax (EA).....	41,275	44,379	45,512
(R)Annual Maintenance Payments - Highway Transfer (EA).....	10,577	10,875	11,163
(R)Restoration Projects - Highway Transfer (EA).....	5,578	6,908	8,226
(R)Airport Development.....	6,185 ^f	7,500 ^f	7,500 ^f
(F)Federal Reimbursement - Airport Development.....	4,060	15,000	18,000
(R)Real Estate Tax Rebate.....	226 ^f	250 ^f	250 ^f
Subtotal.....	\$ 347,077	\$ 393,754	\$ 404,923

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
Subtotal - State Funds.....	\$ 207,992	\$ 212,302	\$ 213,772
Subtotal - Federal Funds.....	4,558	16,000	19,000
Subtotal - Augmentations.....	35	200	200
Subtotal - Restricted Revenues.....	134,492	165,252	171,951
Total - Grants and Subsidies.....	<u>\$ 347,077</u>	<u>\$ 393,754</u>	<u>\$ 404,923</u>
STATE FUNDS.....	\$ 1,505,269	\$ 1,524,316	\$ 1,580,526
FEDERAL FUNDS.....	765,827	952,874	1,227,130
AUGMENTATIONS.....	40,449	41,415	44,846
RESTRICTED REVENUES.....	581,726	727,956	690,126
MOTOR LICENSE FUND TOTAL.....	<u>\$ 2,893,271</u>	<u>\$ 3,246,561</u>	<u>\$ 3,542,628</u>
<u>LOTTERY FUND:</u>			
<i>Grants and Subsidies:</i>			
Older Pennsylvanians Shared Rides (EA).....	\$ 58,520	\$ 64,348	\$ 66,630
Older Pennsylvanians Free Transit (EA).....	46,960	54,000	58,845
Total - Grants and Subsidies.....	<u>\$ 105,480</u>	<u>\$ 118,348</u>	<u>\$ 125,475</u>
LOTTERY FUND TOTAL.....	<u>\$ 105,480</u>	<u>\$ 118,348</u>	<u>\$ 125,475</u>
<u>OTHER FUNDS:</u>			
GENERAL FUND:			
Federal Grants - Railroad Freight Rehabilitation.....	\$ 241	\$ 250	\$ 250
MOTOR LICENSE FUND:			
Federal Reimbursements - Highway Safety Program.....	\$ 6,323	\$ 6,500	\$ 6,500
Reimbursements to Municipalities - Vehicle Code Fines.....	12,588	15,000	15,000
Federal Reimbursements - Flood Related Costs.....	2,492	2,000	2,000
Reimbursements to Other States- Apportioned Registration Plan.....	45,890	30,000	20,000
Federal Reimbursements - Bridge Projects.....	24,099	28,000	30,000
Federal Reimbursement - Delisting HIA.....	16	0	0
Motorcycle Safety Education.....	1,759	2,000	2,000
Equipment Rental Security Deposits.....	960	1,000	1,000
Payments to Blind/Visually Handicapped.....	0	1,600	1,600
Federal Reimbursements - Political Subdivisions.....	37,537	40,000	45,000
License and Registration Pickups.....	0	15	15
Engineering Software Maintenance.....	0	178	200
MOTOR LICENSE FUND TOTAL.....	<u>\$ 131,664</u>	<u>\$ 126,293</u>	<u>\$ 123,315</u>
HIGHWAY BEAUTIFICATION FUND:			
Control of Junkyards (EA).....	\$ 0	\$ 15	\$ 15
Control of Outdoor Advertising (EA).....	247	700	700
HIGHWAY BEAUTIFICATION FUND TOTAL.....	<u>\$ 247</u>	<u>\$ 715</u>	<u>\$ 715</u>
INFRASTRUCTURE BANK FUND:			
Infrastructure Bank Loans (EA).....	\$ 6,061	\$ 10,000	\$ 15,000
LIQUID FUELS TAX FUND:			
Payments to Counties.....	\$ 29,734	\$ 30,249	\$ 31,000
Auditor General's Audit Costs (EA).....	500	500	500
LIQUID FUELS TAX FUND TOTAL.....	<u>\$ 30,234</u>	<u>\$ 30,749</u>	<u>\$ 31,500</u>

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
MOTOR VEHICLE TRANSACTION RECOVERY FUND:			
Reimbursement to Transportation.....	\$ 0	\$ 204	\$ 208
GOV. CASEY ORGAN & TISSUE DONATION AWARENESS FUND:			
Reimbursement to Transportation (EA).....	\$ 539	\$ 0	\$ 0
PUBLIC TRANSPORTATION ASSISTANCE FUND:			
Transfer to General Fund (EA).....	\$ 0 ^h	\$ 0 ^h	\$ 0 ^h
Mass Transit Grants (EA).....	151,135	183,280	198,825
Rural Transit Grants (EA).....	4,489	5,198	5,647
PUBLIC TRANSPORTATION ASSISTANCE FUND TOTAL.....	\$ 155,624	\$ 188,478	\$ 204,472
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 301,537	\$ 317,325	\$ 315,841
SPECIAL FUNDS.....	1,610,749	1,642,664	1,706,001
FEDERAL FUNDS.....	784,977	1,036,720	1,311,147
AUGMENTATIONS.....	40,561	41,640	45,071
RESTRICTED.....	662,190	812,637	769,950
OTHER FUNDS.....	324,610	356,689	375,460
TOTAL ALL FUNDS.....	\$ 3,724,624	\$ 4,207,675	\$ 4,523,470

- ^a Not added to the total to avoid double counting: 1999-00 Actual is \$10,000, 2000-01 Available is \$10,000, and 2001-02 Budget is \$10,000.
- ^b Not added to the total to avoid double counting: 1999-00 Actual is \$0, 2000-01 Available is \$100,000, and 2001-02 Budget is \$0.
- ^c Not added to the total to avoid double counting: 1999-00 Actual is \$0, 2000-01 Available is \$200,000, and 2001-02 Budget is \$0.
- ^d Not added to the total to avoid double counting: 1999-00 Actual is \$1,855,000, 2000-01 Available is \$1,911,000, and 2001-02 Budget is \$1,968,000.
- ^e Not added to the total to avoid double counting: 1999-00 Actual is \$539,000, 2000-01 Available is \$100,000, and 2001-02 Budget is \$103,000.
- ^f Appropriated from a restricted revenue account.
- ^g Not added to the total to avoid double counting: 1999-00 Actual is \$600,000, 2000-01 Available is \$600,000, and 2001-02 Budget is \$600,000.
- ^h Not added to the total to avoid double counting: 1999-00 Actual is \$4,712,000, 2000-01 Available is \$4,784,000, and 2001-02 Budget is \$4,824,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
TRANSPORTATION SUPPORT SERVICES							
GENERAL FUND.....	\$ 2,026	\$ 2,159	\$ 2,156	\$ 2,197	\$ 2,113	\$ 2,155	\$ 2,198
SPECIAL FUNDS.....	66,927	78,778	75,971	65,778	65,656	65,554	66,489
FEDERAL FUNDS.....	8,072	8,907	11,066	11,299	9,799	8,132	8,132
OTHER FUNDS.....	1,201	1,639	1,489	1,414	1,414	1,414	1,414
SUBCATEGORY TOTAL.....	\$ 78,226	\$ 91,483	\$ 90,682	\$ 80,688	\$ 78,982	\$ 77,255	\$ 78,233
STATE HIGHWAY AND BRIDGE CONSTRUCTION/RECONSTRUCTION							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	415,800	417,900	444,200	433,600	409,100	394,500	395,000
FEDERAL FUNDS.....	649,295	743,033	1,008,616	1,032,180	1,043,984	1,045,856	1,052,996
OTHER FUNDS.....	174,940	200,229	211,274	184,286	185,034	175,756	175,505
SUBCATEGORY TOTAL.....	\$ 1,240,035	\$ 1,361,162	\$ 1,664,090	\$ 1,650,066	\$ 1,638,118	\$ 1,616,112	\$ 1,623,501
STATE HIGHWAY AND BRIDGE MAINTENANCE							
GENERAL FUND.....	\$ 1,770	\$ 2,255	\$ 2,358	\$ 2,125	\$ 2,167	\$ 2,210	\$ 2,255
SPECIAL FUNDS.....	732,520	722,419	749,231	707,068	747,518	782,972	780,911
FEDERAL FUNDS.....	111,711	188,000	193,000	193,000	193,000	193,000	193,000
OTHER FUNDS.....	353,032	449,976	402,676	398,235	400,403	403,118	405,843
SUBCATEGORY TOTAL.....	\$ 1,199,033	\$ 1,362,650	\$ 1,347,265	\$ 1,300,428	\$ 1,343,088	\$ 1,381,300	\$ 1,382,009
LOCAL HIGHWAY AND BRIDGE ASSISTANCE							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	179,992	184,302	185,772	185,937	187,691	189,019	190,359
FEDERAL FUNDS.....	498	1,000	1,000	900	900	900	900
OTHER FUNDS.....	191,299	227,072	240,389	227,754	228,364	223,993	219,623
SUBCATEGORY TOTAL.....	\$ 371,789	\$ 412,374	\$ 427,161	\$ 414,591	\$ 416,955	\$ 413,912	\$ 410,882
MASS TRANSPORTATION							
GENERAL FUND.....	\$ 264,475	\$ 272,461	\$ 272,474	\$ 272,483	\$ 272,492	\$ 272,502	\$ 272,512
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	4,280	12,000	12,000	12,000	12,000	12,000	12,000
OTHER FUNDS.....	224,624	257,478	273,472	281,048	291,021	303,061	314,896
SUBCATEGORY TOTAL.....	\$ 493,379	\$ 541,939	\$ 557,946	\$ 565,531	\$ 575,513	\$ 587,563	\$ 599,408
INTERCITY TRANSPORTATION							
GENERAL FUND.....	\$ 10,307	\$ 12,389	\$ 10,703	\$ 10,703	\$ 10,703	\$ 10,703	\$ 10,703
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	6,891	63,850	63,885	63,885	63,885	63,885	63,885
OTHER FUNDS.....	6,855	10,432	6,799	6,780	6,803	6,826	6,848
SUBCATEGORY TOTAL.....	\$ 24,053	\$ 86,671	\$ 81,387	\$ 81,368	\$ 81,391	\$ 81,414	\$ 81,436

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
AIR TRANSPORTATION							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	4,200	16,741	19,130	19,130	19,130	19,130	19,130
OTHER FUNDS.....	10,977	13,662	14,024	14,182	14,342	14,502	14,672
SUBCATEGORY TOTAL.....	\$ 15,177	\$ 30,403	\$ 33,154	\$ 33,312	\$ 33,472	\$ 33,632	\$ 33,802
SAFETY ADMINISTRATION AND LICENSING							
GENERAL FUND.....	\$ 2,740	\$ 2,971	\$ 3,060	\$ 3,122	\$ 3,168	\$ 3,232	\$ 3,297
SPECIAL FUNDS.....	110,030	120,917	125,352	114,472	116,586	118,774	117,268
FEDERAL FUNDS.....	30	3,189	2,450	300	200	200	200
OTHER FUNDS.....	60,154	45,754	36,858	26,862	26,866	26,870	26,874
SUBCATEGORY TOTAL.....	\$ 172,954	\$ 172,831	\$ 167,720	\$ 144,756	\$ 146,820	\$ 149,076	\$ 147,639
OLDER PENNSYLVANIANS TRANSIT							
GENERAL FUND.....	\$ 20,219	\$ 25,090	\$ 25,090	\$ 25,090	\$ 25,090	\$ 25,090	\$ 25,090
SPECIAL FUNDS.....	105,480	118,348	125,475	129,739	134,801	140,108	145,613
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	4,279	4,724	3,500	3,500	3,500	3,500	3,500
SUBCATEGORY TOTAL.....	\$ 129,978	\$ 148,162	\$ 154,065	\$ 158,329	\$ 163,391	\$ 168,698	\$ 174,203
ALL PROGRAMS:							
GENERAL FUND.....	\$ 301,537	\$ 317,325	\$ 315,841	\$ 315,720	\$ 315,733	\$ 315,892	\$ 316,055
SPECIAL FUNDS.....	1,610,749	1,642,664	1,706,001	1,636,594	1,661,352	1,690,927	1,695,640
FEDERAL FUNDS.....	784,977	1,036,720	1,311,147	1,332,694	1,342,898	1,343,103	1,350,243
OTHER FUNDS.....	1,027,361	1,210,966	1,190,481	1,144,061	1,157,747	1,159,040	1,169,175
DEPARTMENT TOTAL.....	\$ 3,724,624	\$ 4,207,675	\$ 4,523,470	\$ 4,429,069	\$ 4,477,730	\$ 4,508,962	\$ 4,531,113

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, policy, 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)

	GENERAL FUND		Highway Systems Technology
	Transit and Rail Freight Operations		—to continue current program.
\$ 46	—to continue current program.	\$ 2,487	—nonrecurring projects.
		-12,222	
	Relocation of Transportation and Safety Operations	\$ -9,735	<i>Appropriation Decrease</i>
\$ -174	—nonrecurring project.		
	Comprehensive Rail Freight Study	\$ -3,589	Relocation of Transportation and Safety Operations
\$ 125	—Initiative — Comprehensive Rail Freight Study. To conduct a study of the Commonwealth's Comprehensive Rail Freight system.		—nonrecurring project.
	MOTOR LICENSE FUND		
	General Government Operations		
\$ 1,507	—PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides resources for information technology enhancements, agency interfaces with the Commonwealth's integrated software suite and general intergrated software suite development. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.		
	532 —Initiative — Technology System Enhancements. To contract for technical support and provide for technology system enhancements.		
	4,811 —transfer of legal support program.		
	3,667 —to continue current program.		
\$ 10,517	<i>Appropriation Increase</i>		

Refunding Collected Monies (EA) is recommended at the current year level.

Program: Transportation Support Services (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Transit and Rail Freight Operations	\$ 1,854	\$ 1,985	\$ 2,031	\$ 2,072	\$ 2,113	\$ 2,155	\$ 2,198
Relocation of Transportation and Safety Operations	172	174	0	0	0	0	0
Comprehensive Rail Freight Study	0	0	125	125	0	0	0
TOTAL GENERAL FUND	\$ 2,026	\$ 2,159	\$ 2,156	\$ 2,197	\$ 2,113	\$ 2,155	\$ 2,198
MOTOR LICENSE FUND:							
General Government Operations	\$ 31,187	\$ 35,954	\$ 46,471	\$ 45,178	\$ 46,056	\$ 46,954	\$ 47,914
Highway Systems Technology	25,994	34,735	25,000	16,100	15,100	14,100	14,075
Refunding Collected Monies (EA)	3,994	4,500	4,500	4,500	4,500	4,500	4,500
Relocation of Transportation and Safety Operations	5,752	3,589	0	0	0	0	0
TOTAL MOTOR LICENSE FUND	\$ 66,927	\$ 78,778	\$ 75,971	\$ 65,778	\$ 65,656	\$ 65,554	\$ 66,489

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.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Miles of new highway construction	40	39	35	40	38	37	37
Miles of Interstate reconstruction	80	75	75	75	71	70	69
Miles of non-Interstate reconstruction	65	50	50	50	47	46	46
Intersections improved to increase safety and capacity	180	185	185	185	185	185	185
Bridges maintained (larger than 8 feet)	26,002	26,005	26,008	26,011	26,014	26,017	26,020
Bridges replaced/repaired	266	285	285	270	270	260	255

Miles of new highway construction is lower in 1999-00 and higher in 2000-01 than in last year's budget due to a delay in completing projects in 1999-00.

Miles of non-Interstate is lower in 1999-00 than in last year's budget to more accurately reflect actual projects.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Highway and Safety Improvement</p> <p>\$ 12,054 —PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides resources for information technology enhancements, agency interfaces with the Commonwealth's integrated software suite and general intergrated software suite development. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.</p> <p>4,237 —Initiative — Technology System Enhancements. To contract for technical support and provide for technology system enhancements.</p> <p>4,709 —to continue current program. This funding is in combination with Act 26 of 1991 revenues for 2001-02 of \$55,347 million (17 percent of 55 mills) and Highway Capital Projects authorized in Act 3 of 1997. New highway construction focuses on projects that will spur</p>
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economic development. Key projects in 2001-02 include relocation of US 222 (Warren Street) in Berks County; relocation of US 22 in Mifflin County (Lewistown Bypass); reconstruction of US 202 in Montgomery County; relocation of US 15 in Tioga County; construction of the East Side Access (SR 4034) In Erie County; widening of US 30 in Bedford County; construction of the Cargo Road and PA 60 interchange in Allegheny County; reconstruction of the US 22/US 119interchange (Blairsville Interchange) in Indiana County; widening of Plank Road in Blair County and widening of PA 18 (Hermitage Road) in Mercer County.

Another priority is the preservation of the Interstate Highway System. During 2001-02 key projects in this area will include reconstruction of 19 miles of I-81 in Dauphin County; restoration of approximately 1 mile

Program: State Highway and Bridge Construction/Reconstruction (continued)

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

of roadway and bridge decks on I-95 in Philadelphia County; rehabilitation of the Fort Pitt Tunnel on I-279 in Allegheny County; reconstruction of Exit 51 on I-81 in Lackawanna County; reconstruction of the I-279/I-376 connector in Allegheny County and rehabilitation of 19 miles of I-70 in Washington County.

New construction will continue on approximately 27 miles of I-99 in Centre County.

Security Wall Pilot Program
—nonrecurring projects.

\$ 6,300

Highway Capital Projects (EA)

—to continue current program.

Bridge Restricted Revenue

Major bridge projects to be started or continued during 2001-02 include Wintergreen Gorge Bridge in Erie County; I-80 Viaduct in Centre County; Muncy-Susquehanna River Bridge in Lycoming County; Carey Avenue Bridge in Luzerne County; Lindberg Viaduct in Berks County; 29th Street/Amtrak Bridge in Philadelphia County; Harvey Taylor Bridge in Dauphin County; Kernville Viaduct in Cambria County; Fort Pitt Bridge - Phase C in Allegheny County and the Apollo Bridge in Westmoreland County.

\$ 21,000 *Appropriation Increase*

\$ -1,000

Payment to Turnpike Commission is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
MOTOR LICENSE FUND:							
Highway and Safety Improvements	\$ 175,000	\$ 175,000	\$ 196,000	\$ 180,000	\$ 160,000	\$ 155,000	\$ 155,000
Security Wall Pilot Program	20,000	11,000	10,000	15,000	10,000	0	0
Highway Capital Projects (EA)	192,800	203,900	210,200	210,600	211,100	211,500	212,000
Payment to Turnpike Commission (EA) ...	28,000	28,000	28,000	28,000	28,000	28,000	28,000
TOTAL MOTOR LICENSE FUND	\$ 415,800	\$ 417,900	\$ 444,200	\$ 433,600	\$ 409,100	\$ 394,500	\$ 395,000

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, stabilization 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:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Miles of State maintained highways	40,101	40,065	39,958	40,000	39,942	39,887	39,834
Miles of State maintained highways improved:							
Structural restoration	208	249	300	300	250	270	260
Maintenance resurfacing	4,740	4,856	4,760	4,595	4,575	4,585	4,565
Surface repairs	1,951	1,806	1,500	1,245	1,275	1,345	1,315
Total	6,899	6,911	6,560	6,140	6,100	6,200	6,140
Truck weight and safety enforcement:							
Trucks weighed	345,348	410,000	410,000	410,000	410,000	410,000	410,000
Weight violations	5,993	6,500	6,500	6,500	6,500	6,500	6,500
Trucks inspected	22,101	32,000	32,000	32,000	32,000	32,000	32,000
Safety violations	64,474	90,000	90,000	90,000	90,000	90,000	90,000

Miles of State maintained highways improved structural restoration are lower in 1999-00 and 2000-01 than in last year's budget due to a change in program emphasis to maintenance resurfacing which has a higher number of miles than in last year's budget.

Miles of State maintained highways improved structural restoration and maintenance resurfacing are projected to increase in the budget and future years while surface repairs have decreased compared to last year's budget due to a shift in program emphasis to more durable surfaces.

Trucks weighed are lower in 1999-00 than estimated in last year's budget due to an increased emphasis on safety inspections.

Trucks inspected and safety violations are higher than in last year's budget due to increased emphasis.

Program: State Highway and Bridge Maintenance (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	GENERAL FUND:		
	Welcome Centers		Secondary Roads - Maintenance and Resurfacing
\$ 275	—Initiative — Welcome Center Kiosks. To provide interactive traveler information kiosks at each Welcome Center.	\$ 54	—to continue current program.
159	—to continue current program.	\$ 15,000	Highway Maintenance Safety Projects
-331	—nonrecurring items.		—Initiative — Highway Maintenance Safety Projects. To enhance road safety conditions in 67 counties.
<u>\$ 103</u>	<i>Appropriation Increase</i>	<u>-15,000</u>	—nonrecurring projects.
	MOTOR LICENSE FUND	\$ 0	<i>Appropriation Unchanged</i>
	Highway Maintenance		Reinvestment - Facilities
\$ 13,560	—PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides resources for information technology enhancements, agency interfaces with the Commonwealth's integrated software suite and general intergrated software suite development. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.	\$ 3,008	—to continue current program.
4,764	—Initiative — Technology System Enhancements. To contract for technical support and provide for technology system enhancements.		
5,426	—to continue current program.		
<u>\$ 23,750</u>	<i>Appropriation Increase</i>		

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Welcome Centers	\$ 1,770	\$ 2,255	\$ 2,358	\$ 2,125	\$ 2,167	\$ 2,210	\$ 2,255
MOTOR LICENSE FUND:							
Highway Maintenance	\$ 621,406	\$ 639,000	\$ 662,750	\$ 635,750	\$ 675,750	\$ 710,750	\$ 708,810
Secondary Roads - Maintenance and Resurfacing (EA)	59,974	62,279	62,333	62,778	63,228	63,682	64,140
Highway Maintenance Safety Projects	45,000	15,000	15,000	0	0	0	0
Reinvestment - Facilities	6,140	6,140	9,148	8,540	8,540	8,540	7,961
TOTAL MOTOR LICENSE FUND	<u>\$ 732,520</u>	<u>\$ 722,419</u>	<u>749,231</u>	<u>707,068</u>	<u>747,518</u>	<u>782,972</u>	<u>780,911</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.
 - 12 percent of an additional 55 mill portion of the oil franchise tax as provided for in Act 26 of 1991.
 - Another 12 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.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Miles of highway locally administered:							
Total	75,576	75,951	76,393	76,331	76,719	77,114	77,477
Percent of all highways in the Commonwealth	65.3%	65.5%	65.7%	65.6%	65.8%	65.9%	66.0%
Miles of local highways improved	1,704	1,725	1,725	1,725	1,725	1,725	1,725
Local bridges:							
Total (greater than 20 feet)	6,320	6,323	6,326	6,329	6,332	6,335	6,338
Brought up to standard through State Bridge Program	67	60	60	55	55	55	50

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

\$ 1,470 —to continue program based on current year estimated revenue collections.

Supplemental Local Road Maintenance and Construction Payments is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
MOTOR LICENSE FUND:							
Local Road Maintenance and Construction Payments	\$ 174,992	\$ 179,302	\$ 180,772	\$ 180,937	\$ 182,691	\$ 184,019	\$ 185,359
Supplemental Local Road Maintenance and Construction Payment	5,000	5,000	5,000	5,000	5,000	5,000	5,000
TOTAL MOTOR LICENSE FUND	\$ 179,992	\$ 184,302	\$ 185,772	\$ 185,937	\$ 187,691	\$ 189,019	\$ 190,359

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.

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. Since 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.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Passengers carried by State-assisted operators (millions annually)	293.7	308.4	313.1	317.6	321.1	322.9	325.1
Passengers per vehicle hour	31.2	32.4	32.7	32.9	33.0	33.0	33.0
Percentage share of average income of mass transit trips:							
From passenger	41.9	41.4	40.9	40.7	40.6	40.6	40.5
From Commonwealth	47.5	48.0	48.5	48.8	48.7	48.7	48.7
From Federal Government	0.9	0.9	0.9	0.9	0.9	0.9	0.9
From local government	9.7	9.7	9.7	9.8	9.8	9.8	9.9

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Rail Safety Inspection
 \$ 13 —to continue current program.

The Mass Transportation Assistance and Rural Transportation Assistance appropriations are recommended at the current year funding levels.

Program: Mass Transportation (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Rail Safety Inspection	\$ 429	\$ 442	\$ 455	\$ 464	\$ 473	\$ 483	\$ 493
Mass Transportation Assistance	262,048	270,019	270,019	270,019	270,019	270,019	270,019
Rural Transportation Assistance	1,998	2,000	2,000	2,000	2,000	2,000	2,000
TOTAL GENERAL FUND	\$ 264,475	\$ 272,461	\$ 272,474	\$ 272,483	\$ 272,492	\$ 272,502	\$ 272,512

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 363,000 passengers will utilize Commonwealth subsidized intercity bus services in 2000-01. 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 73 miles of rail line that serves 16 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 for construction projects and 75 percent of the total project cost for maintenance projects. Smaller maintenance and construction 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 not to exceed \$300,000 and 50 percent of the funding for construction projects not to exceed \$100,000.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Intercity Bus:							
Passengers handled	358,000	363,000	368,000	368,000	368,000	368,000	368,000
Subsidy per bus mile	\$0.56	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55
Rail Freight:							
Miles of rail lines:							
State assisted	350	350	350	350	350	350	350
State owned	94	73	67	58	41	41	41

Miles of rail lines - State owned are lower than projected in last year's budget due to a continuing effort to privatize these lines.

Program: Intercity Transportation (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Intercity Transportation \$ 64 —to continue current program.</p>	<p>Maglev \$ -1,750 —nonrecurring project.</p>
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Rail Freight Assistance is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Intercity Transportation	\$ 2,094	\$ 2,139	\$ 2,203	\$ 2,203	\$ 2,203	\$ 2,203	\$ 2,203
Maglev	0	1,750	0	0	0	0	0
Rail Freight Assistance	8,213	8,500	8,500	8,500	8,500	8,500	8,500
TOTAL GENERAL FUND	\$ 10,307	\$ 12,389	\$ 10,703	\$ 10,703	\$ 10,703	\$ 10,703	\$ 10,703

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 nearly 800 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 that 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. Grants provide a maximum of five percent of the total project cost for Federally funded projects and a maximum of seventy-five percent of the total project costs for nonfederal projects.
- A real estate tax rebate program for public airports that 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, will receive approximately \$18 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.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Airports receiving State grants:							
Airport development grants	51	43	52	52	57	57	60

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 178,000 heavy trucks greater than 17,000 pounds and more than 116,000 trailers greater than 10,000 pounds. The number of licensed drivers has remained constant over the past few years at 8.4 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 and Licensing 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 3.2 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 140 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 has implemented a program that enables driver education teachers at schools to administer the skills test to their students.

Program: Safety Administration and Licensing (continued)

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Vehicles inspected:							
Safety inspections	9,482,070	9,662,000	9,844,000	10,026,000	10,208,000	10,388,000	10,584,000
Emission inspections	3,159,000	3,225,000	3,287,000	3,360,000	3,420,000	3,500,000	3,560,000
Registrations:							
New	1,698,000	1,715,000	1,732,000	1,801,000	1,819,000	1,838,000	1,858,000
Renewed	8,317,000	8,400,000	8,484,000	8,739,000	8,826,000	8,914,000	9,003,000
Licensed drivers:							
New	238,000	238,000	238,000	238,000	238,000	238,000	238,000
Renewed	2,046,900	1,995,700	2,095,600	1,861,500	2,140,700	1,995,700	2,033,665
New commercial drivers licensed	16,298	16,298	16,298	16,298	16,298	16,298	16,298
Photo identification cards issued (non-driver photo)	239,200	239,200	239,200	239,200	239,200	239,200	239,200

Renewed driver licenses fluctuate due to the fact that they are staggered over a four year period.

New commercial drivers licensed are lower than projected in last year's budget based upon more recent actual figures.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND		MOTOR LICENSE FUND
Vehicle Sales Tax Collections		Safety Administration and Licensing
\$ 57 —to continue current program.		—PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides resources for information technology enhancements, agency interfaces with the Commonwealth's integrated software suite and general integrated software suite development. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.
		1,059 —Initiative — Technology System Enhancements. To contract for technical support and provide for technology system enhancements.
Voter Registration		2,681 —Initiative — Expanded Internet Transactions. To expand online motor vehicle transactions.
\$ 29 —to continue current program.		4,982 —to continue current program.
		\$ 11,735 <i>Appropriation Increase</i>
Organ Donor Operations		
\$ 3 —to continue current program.		Enhanced Titling and Registration
		\$ -7,300 —nonrecurring program costs.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Vehicle Sales Tax Collections	\$ 1,855	\$ 1,911	\$ 1,968	\$ 2,007	\$ 2,048	\$ 2,089	\$ 2,131
Voter Registration	885	960	989	1,009	1,011	1,031	1,051
Organ Donor Operations	0	100	103	106	109	112	115
TOTAL GENERAL FUND	\$ 2,740	\$ 2,971	\$ 3,060	\$ 3,122	\$ 3,168	\$ 3,232	\$ 3,297
MOTOR LICENSE FUND:							
Safety Administration and Licensing	\$ 99,930	\$ 107,517	\$ 119,252	\$ 114,472	\$ 116,586	\$ 118,774	\$ 117,268
Enhanced Titling and Registration	10,100	13,400	6,100	0	0	0	0
TOTAL MOTOR LICENSE FUND	\$ 110,030	\$ 120,917	\$ 125,352	\$ 114,472	\$ 116,586	\$ 118,774	\$ 117,268

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), as well as a pilot transportation project for persons with disabilities.

Program Measures:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Free transit trips	40,872,943	44,960,341	45,859,447	46,776,636	47,712,169	48,666,412	49,639,740
Trips on State assisted shared ride vehicles	6,325,397	6,452,000	6,625,000	6,757,500	6,892,650	7,030,500	7,171,000
Cost to the Commonwealth per trip:							
Free Transit	\$1.47	\$1.49	\$1.60	\$1.60	\$1.60	\$1.60	\$1.60
State assisted shared ride vehicles	\$9.17	\$9.42	\$9.98	\$10.23	\$10.50	\$10.78	\$11.07
Intercity Rail:							
Passengers handled	203,000	212,000	220,000	220,000	220,000	220,000	220,000
Subsidy per passenger mile	\$0.18	\$0.18	\$0.16	\$0.16	\$0.16	\$0.16	\$0.16

The cost to the Commonwealth per trip for free transit includes Fixed Route Transit and Older Pennsylvanians Free Transit funding.

The intercity rail subsidy per passenger mile is higher than in last year's budget based on updated projections reflecting actual costs.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	LOTTERY FUND		Older Pennsylvanians Free Transit
\$ 2,282	Older Pennsylvanians Shared Rides	\$ 4,845	— to continue current program.
	— to continue current program.		

Fixed Route Transit is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Fixed Route Transit	\$ 20,219	\$ 25,090	\$ 25,090	\$ 25,090	\$ 25,090	\$ 25,090	\$ 25,090
LOTTERY FUND:							
Older Pennsylvanians Shared Rides (EA) ..	\$ 58,520	\$ 64,348	\$ 66,630	\$ 69,129	\$ 72,373	\$ 75,808	\$ 79,383
Older Pennsylvanians Free Transit (EA)	46,960	54,000	58,845	60,610	62,428	64,300	66,230
TOTAL LOTTERY FUND	<u>\$ 105,480</u>	<u>\$ 118,348</u>	<u>\$ 125,475</u>	<u>\$ 129,739</u>	<u>\$ 134,801</u>	<u>\$ 140,108</u>	<u>\$ 145,613</u>



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)

	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 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.....	532	586	604
Incidental Expenses.....	5,775	5,775	5,775
Expenses - Representatives.....	3,100	3,100	3,100
Legislative Printing and Expenses.....	19,500	25,000	25,000
Members' Home Office Expenses.....	2,100	2,100	2,100
National Legislative Conference - Expenses.....	194	194	194
Committee on Appropriations (R).....	1,666	1,833	1,888
Committee on Appropriations (D).....	1,666	1,833	1,888
Special Leadership Account (R).....	9,850	10,835	11,161
Special Leadership Account (D).....	9,850	10,835	11,161
Legislative Management Committee (R).....	11,331	12,465	12,839
Legislative Management Committee (D).....	11,331	12,465	12,839
Commonwealth Emergency Medical System.....	35	35	35
House Flag Purchase.....	24	24	24
School for New Members.....	0	15	0
Subtotal.....	\$ 122,347	\$ 135,860	\$ 138,759
Legislative Reference Bureau:			
Legislative Reference Bureau - Salaries & Expenses.....	\$ 6,152	\$ 6,460	\$ 6,783
Contingent Expenses.....	20	20	20
Printing of PA Bulletin and PA Code.....	425	510	595
Subtotal.....	\$ 6,597	\$ 6,990	\$ 7,398
Legislative Budget and Finance Committee.....	\$ 2,125	\$ 2,080	\$ 2,500
Legislative Miscellaneous and Commissions:			
Legislative Data Processing Center.....	\$ 3,453	\$ 3,598	\$ 3,751
Joint State Government Commission.....	1,801	1,720	1,814
Local Government Commission.....	786	822	919
Local Government Codes.....	23	23	31
Joint Legislative Air and Water Pollution Control Committee.....	380	476	485
Legislative Audit Advisory Commission.....	150	154	157
Independent Regulatory Review Commission.....	1,809	1,850	1,850
Capitol Preservation Committee.....	650	650	730
Capitol Restoration.....	3,510	3,510	3,510
Colonial History.....	187	187	197
Commission on Sentencing.....	888	915	935
Center For Rural Pennsylvania.....	1,010	1,030	1,050
Legislative Service Agency Renovation.....	0	190	0
Health Care Cost Containment Council.....	3,405	3,808	3,922
State Ethics Commission.....	1,582	1,623	1,692
Subtotal.....	\$ 19,634	\$ 20,556	\$ 21,043
Total - General Government.....	\$ 220,411	\$ 239,545	\$ 245,429
GENERAL FUND TOTAL.....	\$ 220,411	\$ 239,545	\$ 245,429

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)
 1999-00 ACTUAL 2000-01 AVAILABLE 2001-02 BUDGET

GENERAL FUND:

General Government:

Senate:

Fifty Senators.....	\$	4,200	\$	4,560	\$	4,697
Senate President - Personnel Expenses.....		275		290		290
Employes of Chief Clerk.....		4,800		4,800		4,800
Salaried Officers and Employes.....		6,891		7,236		7,416
Reapportionment Expenses.....		200		200		200
Legislative Reapportionment Commission.....		0		0		650
Incidental Expenses.....		2,334		2,700		2,767
Postage - Chief Clerk and Legislative Journal.....		1,400		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
Expenses - Senators.....		575		575		575
Legislative Printing and Expenses.....		7,022		7,625		7,815
Computer Services (R).....		4,046		4,532		4,532
Computer Services (D).....		4,046		4,532		4,532
Committee on Appropriations (R).....		2,977		3,126		3,126
Committee on Appropriations (D).....		2,977		3,126		3,126
Special Leadership Account (R).....		8,521		8,947		9,170
Special Leadership Account (D).....		8,521		8,947		9,170
Legislative Management Committee (R).....		5,408		5,678		5,678
Legislative Management Committee (D).....		5,408		5,678		5,678
Senate Flag Purchase.....		24		24		24
Subtotal.....	\$	69,708	\$	74,059	\$	75,729

House of Representatives:

Members' Salaries, Speaker's Extra Compensation.....	\$	17,255	\$	18,118	\$	18,662
House Employes (R).....		8,927		9,820		10,115
House Employes (D).....		8,927		9,820		10,115
Speaker's Office.....		804		845		871
Bi-Partisan Committee, Chief Clerk, Comptroller.....		6,819		7,501		7,727
Reapportionment Expenses.....		200		200		200
Mileage - Representatives, Officers and Employes.....		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

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
LEGISLATURE							
GENERAL FUND.....	\$ 220,411	\$ 239,545	\$ 245,429	\$ 245,556	\$ 245,656	\$ 245,788	\$ 245,892
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 220,411	\$ 239,545	\$ 245,429	\$ 245,556	\$ 245,656	\$ 245,788	\$ 245,892
ALL PROGRAMS:							
GENERAL FUND.....	\$ 220,411	\$ 239,545	\$ 245,429	\$ 245,556	\$ 245,656	\$ 245,788	\$ 245,892
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	\$ 220,411	\$ 239,545	\$ 245,429	\$ 245,556	\$ 245,656	\$ 245,788	\$ 245,892

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)

\$ 5,884 **Legislature**
—to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
TOTAL GENERAL FUND	\$ 220,411	\$ 239,545	\$ 245,429	\$ 245,556	\$ 245,656	\$ 245,788	\$ 245,892



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)		
	1999-00	2000-01	2001-02
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
General Government:			
Supreme Court:			
Supreme Court.....	\$ 10,341	\$ 11,414	\$ 11,742
(A) Filing Fees.....	312	328	328
Justices Expenses.....	180	180	180
Study Unified Judiciary.....	764	0	0
Statewide Funding - Judicial Council.....	180	183	178
Statewide Funding - County Court Administrators.....	13,136	12,979	12,699
Statewide Funding - Court Management Education.....	150	150	150
Civil Procedural Rules Committee.....	387	386	395
Appellate/Orphans Rules Committee.....	135	154	169
(A) Miscellaneous.....	20	0	0
Rules of Evidence Committee.....	198	175	181
Minor Court Rules Committee.....	229	190	182
Criminal Procedural Rules Committee.....	362	384	390
Domestic Relations Committee.....	143	155	162
Juvenile Court Rules Committee.....	168	149	158
Equity Commission.....	400	0	400
Court Administrator.....	6,034	6,773	7,102
(A) Miscellaneous.....	527	3	4
Integrated Criminal Justice System.....	3,375	3,492	3,026
(R) Judicial Computer System.....	15,998	18,669	26,328
Subtotal.....	\$ 53,039	\$ 55,764	\$ 63,774
Superior Court:			
Superior Court.....	\$ 20,921	\$ 22,041	\$ 23,697
(A) Filing Fees.....	236	280	280
Judges Expenses.....	237	237	237
Subtotal.....	\$ 21,394	\$ 22,558	\$ 24,214
Commonwealth Court:			
Commonwealth Court.....	\$ 12,508	\$ 13,160	\$ 14,683
(A) Filing Fees.....	214	200	200
Judges Expenses.....	143	143	143
Court Security.....	150	150	150
Subtotal.....	\$ 13,015	\$ 13,653	\$ 15,176
Courts of Common Pleas:			
Courts of Common Pleas.....	\$ 55,318	\$ 57,698	\$ 58,550
Senior Judges.....	3,527	3,668	3,759
Judicial Education.....	727	727	727
Ethics Committee.....	54	54	40
Subtotal.....	\$ 59,626	\$ 62,147	\$ 63,076
District Justices:			
District Justices.....	\$ 44,555	\$ 47,326	\$ 47,582
District Justice Education.....	533	546	546
(A) Registration Fees.....	39	37	27
Subtotal.....	\$ 45,127	\$ 47,909	\$ 48,155
Philadelphia Courts:			
Traffic Court.....	\$ 658	\$ 691	\$ 679
Municipal Court.....	4,394	4,458	4,511
Law Clerks.....	39	39	39
Domestic Violence Services.....	200	204	204

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1999-00 ACTUAL	2000-01 AVAILABLE	2001-02 BUDGET
Subtotal.....	\$ 5,291	\$ 5,392	\$ 5,433
Pittsburgh Magistrate Court.....	\$ 1,200	\$ 0	\$ 1,200
Judicial Conduct Board.....	929	959	999
Court of Judicial Discipline.....	398	407	426
Subtotal - State Funds.....	\$ 182,673	\$ 189,272	\$ 195,286
Subtotal - Augmentations.....	1,348	848	839
Subtotal - Restricted Revenues.....	15,998	18,669	26,328
Total - General Government.....	\$ 200,019	\$ 208,789	\$ 222,453
Grants and Subsidies:			
Reimbursement of County Costs:			
Jurors.....	\$ 1,469	\$ 1,469	\$ 1,469
County Courts.....	30,401	30,401	31,356
Subtotal.....	\$ 31,870	\$ 31,870	\$ 32,825
Total - Grants and Subsidies.....	\$ 31,870	\$ 31,870	\$ 32,825
STATE FUNDS.....	\$ 214,543	\$ 221,142	\$ 228,111
AUGMENTATIONS.....	1,348	848	839
RESTRICTED REVENUES.....	15,998	18,669	26,328
GENERAL FUND TOTAL.....	\$ 231,889	\$ 240,659	\$ 255,278

Program Funding Summary

(Dollar Amounts in Thousands)

	1999-00 Actual	200-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
STATE JUDICIAL SYSTEM							
GENERAL FUND.....	\$ 214,543	\$ 221,142	\$ 228,111	\$ 232,688	\$ 236,675	\$ 240,741	\$ 244,887
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	17,346	19,517	27,167	27,712	28,267	28,833	29,410
SUBCATEGORY TOTAL.....	\$ 231,889	\$ 240,659	\$ 255,278	\$ 260,400	\$ 264,942	\$ 269,574	\$ 274,297
ALL PROGRAMS:							
GENERAL FUND.....	\$ 214,543	\$ 221,142	\$ 228,111	\$ 232,688	\$ 236,675	\$ 240,741	\$ 244,887
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	17,346	19,517	27,167	27,712	28,267	28,833	29,410
DEPARTMENT TOTAL.....	\$ 231,889	\$ 240,659	\$ 255,278	\$ 260,400	\$ 264,942	\$ 269,574	\$ 274,297

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 that are not exclusively assigned to another court. Appellate jurisdiction extends to appeals from final orders of the lower courts and appeals from certain State and most local government agencies.

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 that 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.

The Judicial Computer System has the ultimate goal of computerization of the entire judiciary. Projects completed by December 2000 include: 1) the District Justice System which has computerized all of the 550 district justice offices throughout Pennsylvania, providing district justices with the electronic tools needed to effectively manage cases and improve the accounting and reporting of the status of fees and fines; 2) the Administrative Services Automation Project which serves the court's administrative needs, including accounting, budgeting, payroll and human resources functions; and 3) the Docketing Project, an integrated and automated case management system that serves the three appellate courts. In 2001-02, the Common Pleas Project will move from the development phase to the implementation phase. The initial focus will be automation of the criminal courts. Later phases will extend automation to the civil courts.

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: State Judicial System (continued)

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Equity Commission \$ 400 —to provide funding to the commission.</p> <p>Integrated Criminal Justice System \$ 1,055 —to implement a web-based interface between the Common Pleas Courts and JNET. 420 —to continue current program. -1,941 —nonrecurring information technology equipment. <hr/>\$ -466 <i>Appropriation Decrease</i></p> <p>Superior Court \$ 887 —for additional senior judge service and support staff. 552 —to continue current program. 217 —for office furnishings and information technology purchases. <hr/>\$ 1,656 <i>Appropriation Increase</i></p>	<p>Commonwealth Court \$ 754 —for additional senior judge service and support staff. 390 —to continue current program. 379 —for office furnishings and information technology purchases. <hr/>\$ 1,523 <i>Appropriation Increase</i></p> <p>Courts of Common Pleas \$ 1,055 —for fifteen new judges effective January 2002. -203 —to continue current program. <hr/>\$ 852 <i>Appropriation Increase</i></p> <p>Pittsburgh Magistrates Court \$ 1,200 —to provide funding for the court.</p> <p>Reimbursement of County Court Cost \$ 630 —to reimburse for newly authorized judges. 325 —additional reimbursement as specified by Act 26 of 2000. <hr/>\$ 955 <i>Appropriation Increase</i></p>
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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, as well as salary increases for law clerks of the appellate courts and other support staff.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND:							
Supreme Court	\$ 10,341	\$ 11,414	\$ 11,742	\$ 11,977	\$ 12,217	\$ 12,461	\$ 12,710
Justices Expenses	180	180	180	180	180	180	180
Study Unified Judiciary	764	0	0	0	0	0	0
Statewide Funding - Judicial Council	180	183	178	182	186	190	194
Statewide Funding - County Court Administrators	13,136	12,979	12,699	12,953	13,212	13,476	13,746
Statewide Funding - Court Management Education	150	150	150	153	156	159	162
Civil Procedural Rules Committee	387	386	395	403	411	419	427
Appellate/Orphans Rules Committee	135	154	169	172	175	179	183
Rules of Evidence Committee	198	175	181	185	189	193	197
Minor Court Rules Committee	229	190	182	186	190	194	198
Criminal Procedural Rules Committee	362	384	390	398	406	414	422
Domestic Relations Committee	143	155	162	165	168	171	174
Juvenile Court Rules Committee	168	149	158	161	164	167	170
Equity Commission	400	0	400	0	0	0	0
Court Administrator	6,034	6,773	7,102	7,244	7,389	7,537	7,688
Integrated Criminal Justice System	3,375	3,492	3,026	3,087	3,149	3,212	3,276
Superior Court	20,921	22,041	23,697	24,171	24,654	25,147	25,650
Judges Expenses	237	237	237	237	237	237	237
Commonwealth Court	12,508	13,160	14,683	14,977	15,277	15,583	15,895
Judges Expenses	143	143	143	143	143	143	143

Program: State Judicial System (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	1999-00 Actual	2000-01 Available	2001-02 Budget	2002-03 Estimated	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated
GENERAL FUND (continued):							
Court Security	\$ 150	\$ 150	\$ 150	\$ 153	\$ 156	\$ 159	\$ 162
Courts of Common Pleas	55,318	57,698	58,550	60,808	62,024	63,265	64,530
Senior Judges	3,527	3,668	3,759	3,834	3,911	3,989	4,069
Judicial Education	727	727	727	742	757	772	787
Ethics Committee	54	54	40	41	42	43	44
District Justices	44,555	47,326	47,582	48,534	49,505	50,495	51,505
District Justice Education	533	546	546	557	568	579	591
Traffic Court	658	691	679	693	707	721	735
Municipal Court	4,394	4,458	4,511	4,601	4,693	4,787	4,883
Law Clerks	39	39	39	40	41	42	43
Domestic Violence Services	200	204	204	208	212	216	220
Pittsburgh Magistrate Court	1,200	0	1,200	1,224	1,248	1,273	1,298
Judicial Conduct Board	929	959	999	1,019	1,039	1,060	1,081
Court of Judicial Discipline	398	407	426	435	444	453	462
Jurors	1,469	1,469	1,469	1,469	1,469	1,469	1,469
County Courts	30,401	30,401	31,356	31,356	31,356	31,356	31,356
TOTAL GENERAL FUND	\$ 214,543	\$ 221,142	\$ 228,111	\$ 232,688	\$ 236,675	\$ 240,741	\$ 244,887